

Maluti-A-Phofung Municipality Proposed Draft 2017/18 “MTREF”





2017/18 TO 2019/20 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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**Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018
Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

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Abbreviations and Acronyms

AMR -Automated Meter Reading
CFO- Chief Financial Officer
MM- Municipal Manager
CPI- Consumer Price Index
DBSA --Development Bank of South Africa
DoRA Division of Revenue Act
DWA -Department of Water Affairs
EE -Employment Equity
EEDSM- Energy Efficiency Demand Side Management
EM- Executive Mayor
FBS -Free basic services
GAMAP -Generally Accepted Municipal Accounting Practice
GRAP -General Recognised Accounting Practice
HR --Human Resources
IDP -Integrated Development Strategy
IT -Information Technology
kl- kilolitre
km- kilometre
KPA- Key Performance Area
KPI -Key Performance Indicator

KWh- kilowatt

ℓ litre
LED- Local Economic Development
MEC -Member of the Executive Committee
MFMA- Municipal Financial Management Act
MIG -Municipal Infrastructure Grant
MMC -Member of Mayoral Committee
MPRA- Municipal Properties Rates Act
MSA- Municipal Systems Act
MTEF-- Medium-term Expenditure Framework
MTREF- Medium-term Revenue and Expenditure Framework
NERSA- National Electricity Regulator South Africa
NGO -Non-Governmental organisations
NKPIs- National Key Performance Indicators
OP- Operational Plan
PMS- Performance Management System
PPE -Property Plant and Equipment
SALGA- South African Local Government Association
SDBIP-Service Delivery Budget Implementation Plan



PART 1: PROPOSED DRAFT ANNUAL BUDGET



1.2 RESOLUTIONS

PROPOSED DRAFT ANNUAL BUDGET FOR THE 2017/18 AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK, IDP AND RELATED POLICIES

1.2.1 Consolidated annual Operating Budget

The annual consolidated total operating income of **R1,694,473,337.00** and annual consolidated total operating expenditure of **R1,614,373,337.00** and indicative amounts for the two projected outer years **2018/19** and **2019/20**, **be approved as** set out in the following Tables:

- (a) Operating revenue by source reflected in **TABLE A4 on – Page 14**
- (b) Operating expenditure by type reflected in **TABLE A4 on – Page 14**
- (c) Operating expenditure by vote classification reflected in **TABLE A3 on – Page 28**

1.2.2 Consolidated annual Capital Budget

- (a) That the Annual consolidated capital budget of **R289,601,000.00** and the multiyear appropriations by vote, GFS classification and funding for the two projected outer years **2018/19** and **2019/20**, **be approved as** set out in **TABLE A5 on Page 32**

1.2.3 MAP annual Operating Budget

That the Annual total operating income of **R1,486,557,081.00** and annual total operating expenditure of **R1,406,457,081.00** and indicative amounts for the two projected outer years **2018/19** and **2019/20**, **be approved as** set out in the following Schedules:

- (a) Operating revenue source reflected in **TABLE A4 on – Page 39**
- (b) Operating expenditure by type reflected in **TABLE A4 on – Page 39**
- (c) Operating expenditure by vote classification reflected in **TABLE A3 on – Page 38**

1.2.4 MAP Annual Capital Budget

- (a) That the annual capital budget of **R289,601,000.00** and the multiyear appropriations by vote, GFS classification and funding for the two projected outer years **2018/19** and **2019/20**, **be approved as** set out in **TABLE A5 on page 41**



1.2.5 MAP WATER Annual Operating Budget

That the Annual total operating income of **R207,916,256.00** and annual total operating expenditure of **R207,916,256.00** and indicative amounts for the two projected outer years **2018/19** and **2019/20**, be noted as set out in the following Schedules:

- (a) Operating revenue by source reflected in **TABLE D2 on –Annexure 2**
- (b) Operating expenditure by type reflected in **TABLE D2 on –Annexure 2**

1.2.6 that the property rates and any other municipal tax reflected in **Annexure 3** proposed for the budget year **2017/18; be approved.**

1.2.7 that the budget related policies as reflected on **Annexure 4; be approved** for implementation

1.3 EXECUTIVE SUMMARY

The preparation of the proposed draft annual budget for the 2017/18 financial year shall be informed by the following:

- Annual IDP of the Municipality,
- Actual results for 2015/2016 financial year,
- Approved Annual and Adjustment Budgets 2016/17
- Expected results for 2017/18 financial year
- Expected changes in the macro-economic environment, and Community priorities.
- Circular 85 and Circular 86
- Circular 82 on Cost containment measures
- The departmental service delivery implementation plans

In terms of section 13 of the MPRA No 6 of 2004 and sections 24 and 42 of the MFMA No 56 of 2003 new tariffs for property rates, electricity, water and any other taxes and similar tariffs may only be implemented from the start of the municipal financial year (1 July) after Council' approval otherwise section 139 of the Constitution will apply. Unrealistically low tariff increases and an over-ambitious capital expenditure programme will lead to unfunded municipal budgets that threaten the municipal financial sustainability and service delivery. It is therefore imperative that municipalities refrain from suspending credit control and debt collection efforts. Expenditure appropriations aligned to the policy intent as described in the integrated development plans (IDPs) should be prioritised. Infrastructure provisioning for water, sanitation, roads and electricity remain key priorities.

The South African economy and inflation targets

The GDP growth rate is forecasted to increase by **1.3** per cent in **2017** and to improve moderately over the medium term with to **2** per cent and **2.2** per cent in **2018** and **2019** respectively. This forecast is supported by marginally higher global growth, stabilising commodity prices, greater reliability of the electricity network, more favourable weather conditions, recovering business and consumer confidence, and improved labour relations. The unemployment rate was **26.5** per cent in the fourth quarter of **2016**. In aggregate mining and manufacturing employment declined by **80 306** jobs in **2016** while the services sector created **119 189** jobs during the same period. The economy continues to create opportunities for semi-skilled and skilled workers, and to shed unskilled jobs, reinforcing poverty and inequality and widening the wage gap. The economic challenges will continue to pressurise municipal revenue generation and collection levels hence a conservative approach is advised for projecting revenue. Municipalities will have to improve their efforts to limit non-priority



spending and to implement stringent cost-containment measures.

Local government conditional grants and additional allocations

Conditional grant funding targets delivery of national government's service delivery priorities. It is imperative that municipalities understand and comply with the conditions stipulated in the Division of Revenue Act (DoRA) in order to access this funding. The equitable share and the sharing of the general fuel levy constitute additional unconditional funding, of which the equitable share is designed to fund the provision of free basic services to disadvantaged communities.

Municipal Standard Charts of Accounts (mSCOA)

The **mSCOA** Regulations apply to all municipalities and municipal entities with effect from **1 July 2017**. Technically, for a municipality to be regarded as *mSCOA* compliant on 1 July 2017 it must be able to transact across all the *mSCOA* segments and its core system and all sub-systems (including that of its municipal entities) must seamlessly integrate.

Among the lessons learnt from the pilot municipalities, stems the recommendation that a municipality's point of departure for achieving system integration is that it prioritises the maximum integration potential of its core system so that it integrates with the Debtors main sub-system (including cash management and receipting), Payroll and the Assets Management sub-system modules.

Furthermore, all municipalities must accommodate seamless integration of the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and Budget facilities into the core financial system as these documents create a point of departure for the transactional environment come 1 July 2017.

Revenue management

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation has however breached the upper limit of the **3 to 6** per cent target band; therefore, municipalities are now required to ***justify all increases in excess of the 6.4 per cent*** projected inflation target in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups.

Where revenue collection is not well planned or managed, or where tariffs are not properly set, serious financial problems can arise. Eskom's recent move to cut off power supply to municipalities that have not paid electricity bills is an



indication of what can happen when municipalities fail to manage this risk.

Employee related costs

The South African Local Government Bargaining Council entered into a three-year *Salary and Wage Collective Agreement* for the period 01 July 2015 to 30 June 2018. The preparation of the 2017/18 MTREF constitutes implementation of the last year of the agreement which municipalities must implement as follows:

- *2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent*

The previous years were:

- *2015/16 Financial Year – 7 per cent*
- *2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent*

Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance.

Unspent Conditional Grants for 2016/2017

In addition to the requirements outlined in the previous MFMA Circulars regarding unspent conditional grants, municipalities must know that the National Treasury uses the pre-audited Annual Financial Statements (AFS) to determine the unspent conditional grants. The decision is made based on the pre-audited AFS. Therefore, there will not be a review of the unspent conditional grants once the audited AFS are available. It is therefore imperative that municipalities ensure that there is completeness in reported figures on the pre-audited AFS

The Municipal Budget and Reporting Regulations

National Treasury has released Version 6.1 of Schedule A1 (the Excel Formats) which is aligned to version 6.1 of the **mSCOA** classification framework which must be used when compiling the 2017/18 MTREF budget. This version incorporates major changes (see Annexure A). Therefore, **ALL** municipalities **MUST** use this version for the preparation of their 2017/18 MTREF budget.

Budget process and submissions for the 2017/18 MTREF

Budgeting for the audited years on the A schedule (mSCOA)

According to international best practices, it is appropriate to reclassify historical information in line with the changes that occur in the Standard Chart of Accounts. However, considering our own circumstances and the technical capability of smaller municipalities, it is proposed that municipalities disclose



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audited and the current years' (2016/17) information using version 2.8 of the A schedule. In relation to the 2017/18 MTREF municipalities must use version 6.1 of the A schedule.

Budget process and submissions for the 2017/18 MTREF: The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.8) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft service delivery standards;
- the final integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- and schedules D, E and F specific for the entities.
- the budget locking certificate

The guideline growth limits are only for self-generated revenue sources. It excludes the increased national allocations provided for the purpose of expanding infrastructure and providing basic services to more households.

An annual budget set out certain service delivery levels and associated financial implications. Therefore, the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under-spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic. Furthermore, annual budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

The effects of the economic challenges experienced over the past years still linger and continue to place pressure on the community at large which results in difficulties for the municipality in terms of revenue collection and this also impact on service delivery.

Despite this pressure on available resources, the 2017/18 budget gives priority to setting aside the financial means to build on the foundations that have been laid thus far in terms of providing service to and raising the living standards of the poorest individuals and communities at large. In line with National Government's focus on poverty alleviation, the budget is designed to extend further the Municipality's already extensive packages of services and financial relief measures for indigent communities, while still maintaining appropriate levels of service delivery to the community



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Revenue estimates should be realistic, as the operating expenditure budget will be funded by the total revenue budget. It should also be reiterated that the council may not budget for a deficit and the budget should be fully funded

Maluti-A-Phofung municipality strategy is built around the following key components:

- National Treasury's guidelines and macro-economic policy;
- Projected Municipality growth and continued economic development;
- Realistic revenue management, which provides for the achieving of the collection rate target;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Setting of trading services" user charges at levels which are reflective of these services" cost recovering nature;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's indigent policies to assist the poor and rendering of free basic services; and
- Tariff policies.

The following growth limits have been published by the National Treasury and it shall form the basis of increase in the tariff and related expenditure which should range between 5.6 to 6.4 per cent. (N.B. The 2018/19 actual is an estimate by NT)

FISCAL YEAR	2016/17 Estimates	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast
Consumer Price Inflation (CPI)	6.4%	6.4%	5.7%	5.6%
Real GDP growth	0.5%	1.3%	2.0%	2.2%



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Table 1 CONSOLIDATED OVERVIEW OF THE 2017/18 MTREF

FS194 Maluti-a-Phofung - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	167 544	120 001	208 270	207 596	207 596	207 596	-	207 596	217 976	228 875
Service charges - electricity revenue	2	87 473	247 302	273 034	568 818	562 052	562 052	-	558 165	575 069	584 630
Service charges - water revenue	2	61 987	71 289	42 927	73 882	73 882	73 882	-	78 315	82 231	86 342
Service charges - sanitation revenue	2	31 329	49 226	54 593	39 224	39 224	39 224	-	41 577	43 656	45 839
Service charges - refuse revenue	2	21 688	27 700	32 826	32 860	32 860	32 860	-	34 832	36 573	38 402
Service charges - other											
Rental of facilities and equipment		968	850	1 064	2 058	1 054	1 054		1 284	1 348	1 415
Interest earned - external investments		2 805	1 116	2 036	2 400	2 900	2 900		2 900	3 045	3 197
Interest earned - outstanding debtors		23 362	16 771	24 926	26 500	30 000	30 000		31 800	33 390	35 060
Dividends received			-			-	-				
Fines, penalties and forfeits		843	880	37 662	6 055	6 010	6 010		8 012	8 413	8 833
Licences and permits			-	-		-	-				
Agency services			-	-		-	-				
Transfers and subsidies		362 667	403 189	454 043	564 907	564 266	564 266		609 966	640 464	672 488
Other revenue	2	(1 883)	597 522	19 233	103 565	99 662	99 662	-	120 026	129 589	114 788
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		758 782	1 535 845	1 150 612	1 627 865	1 619 506	1 619 506	-	1 694 473	1 771 753	1 819 869
Expenditure By Type											
Employee related costs	2	305 659	337 544	415 083	447 899	435 380	435 380	-	470 097	493 602	518 282
Remuneration of councillors		20 134	23 489	23 134	24 098	21 829	21 829		23 357	24 525	25 751
Debt impairment	3	183 813	(162 969)	254 821	70 050	70 000	70 000		70 000	73 500	77 175
Depreciation & asset impairment	2	215 649	279 224	279 489	50 000	52 866	52 866	-	54 900	57 400	59 425
Finance charges		5 769	4 206	20 685	6 000	4 500	4 500		5 000	5 250	5 513
Bulk purchases	2	264 583	426 541	675 051	400 838	244 982	244 982	-	344 550	362 368	360 052
Other materials	8										
Contracted services		84 669	66 105	68 145	87 140	126 621	126 621	-	117 054	122 907	129 052
Transfers and subsidies		-	-	-	105 000	109 000	109 000	-	115 540	121 317	127 383
Other expenditure	4, 5	305 961	892 497	450 399	364 439	470 328	470 328	-	413 876	437 784	443 136
Loss on disposal of PPE											
Total Expenditure		1 386 237	1 866 637	2 186 807	1 555 465	1 535 506	1 535 506	-	1 614 373	1 698 653	1 745 769
Surplus/(Deficit)		(627 454)	(330 792)	(1 036 195)	72 400	84 000	84 000	-	80 100	73 100	74 100
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		282 849	206 474	186 197	185 520	182 520	182 520		209 501	238 873	247 717
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		(344 605)	(124 318)	(849 997)	257 920	266 520	266 520	-	289 601	311 973	321 817
Taxation											
Surplus/(Deficit) after taxation		(344 605)	(124 318)	(849 997)	257 920	266 520	266 520	-	289 601	311 973	321 817
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(344 605)	(124 318)	(849 997)	257 920	266 520	266 520	-	289 601	311 973	321 817
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(344 605)	(124 318)	(849 997)	257 920	266 520	266 520	-	289 601	311 973	321 817



1.3.1. FINANCIAL OVERVIEW OF THE CONSOLIDATED ANNUAL BUDGET

1.3.1.1 TOTAL CONSOLIDATED OPERATING ANNUAL BUDGET

The **projected annual revenue** amounts to **R1, 694,473,337** (R1.7 billion) for the 2017/18 financial year, which represents an increase of R74 million which is (4%) more than the approved Adjusted Budget for 2016/17. For the 2018/19 and 2019/20 financial years the annual budgeted revenue amounts to R1,771,752,935 (R1.8 billion) which represents an increase of R77 million (4%) and R1,819,868,541 (R1.8 billion) which represents an increase of R48 million (3%) respectively. The total consolidated annual **operating expenditure** budget for the 2017/18 financial year amounts to **R1, 614,373,337** (R1.6 billion), which represents an increase of R78 million more than the approved adjusted budget for 2016/17. For the 2018/2019 and 2019/20 financial years the proposed annual operating expenditure budgets amounts are R1,698,652,935 (R1.7 billion) and R1,745,768,540 billion respectively, which represent increase of R84 million or (5%) and R47 million or (3%) for the two outer years.

The **capital budget** of **R289, 601,000** (R290 million) for 2017/2018 is 8% more when compared to the 2016/2017 Adjustment budget. The increase is due to the RBIG of R26 million as on the DORA (2016/2017) as the one for 2017/2018 was not yet published during the draft budget preparations, municipalities are however compelled to enforce credit control for positive cash flows to can carry out own funding projects to its community. The capital programme increases to R312 million in 2018/19 and a further increase to R321 million for 2019/20 which represents an increase of 7% and 3% respectively. A substantial portion of the capital budget will be funded from the capital grants and the balance will be funded from internally generated funds. This internal funding project depends on the municipal collections.

The table below is a consolidated overview of the proposed 2017/18 Medium – term Revenue and Expenditure Framework:

Description	Pre- Audited Outcomes 2015/16	Adjusted Budget 2016/17	MTREF		
			Budget Year 2017/18	Budget Year+1 2018/19	Budget Year+2 2019/20
	R'000	R'000	R'000	R'000	R'000
Operating Revenue	1 150 613	1 619 506	1 694 473	1 771 753	1 819 869
Operating Expenditure	2 186 807	1 535 506	1 614 373	1 698 653	1 745 769
Surplus/-Deficit	-1 036 194	84 000	80 100	73 100	74 100
Capital Expenditure	244 766	266 520	289 601	311 973	321 817



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1.3.1.2 CONSOLIDATED REVENUE BY SOURCE OF FUNDING

Table 2 Summary of revenue classified by main revenue source

Description	Past performance	Current Year	Medium Term Revenue & Expenditure Framework		
	Pre- Audited Outcomes 2015/16	Adjusted Budget 2016/17	Budget Year 2017/18	Budget Year+1 2018/19	Budget Year+2 2019/20
Property rates	208 269 730	207 596 000	207 596 000	217 975 800	228 874 590
Service charges - electricity	273 034 194	562 052 273	558 165 343	575 068 610	584 629 540
Service charges - water	42 926 528	73 882 000	78 314 920	82 230 666	86 342 200
Service charges - sanitation	54 592 760	39 224 000	41 577 440	43 656 312	45 839 127
Service charges - refuse	32 826 308	32 860 000	34 831 600	36 573 180	38 401 839
Income received by the entity (for water & sanitation)	-	77 172 905	92 376 256	100 556 000	84 304 259
Rental of facilities and equipment	1 063 565	1 053 500	1 283 720	1 347 906	1 415 301
Interest earned - external investments	2 035 720	2 900 000	2 900 000	3 045 000	3 197 250
Interest earned - outstanding debtors	24 925 867	30 000 000	31 800 000	33 390 000	35 059 500
Fines	37 661 859	6 010 000	8 012 000	8 412 600	8 833 230
Transfers recognised - operational	454 043 000	564 266 000	609 966 000	640 464 300	672 487 515
Other revenue	19 232 957	22 489 100	27 650 058	29 032 561	30 484 189
Total Revenue	1 150 612 488	1 619 505 778	1 694 473 337	1 771 752 935	1 819 868 541

Table 3 Percentage growth in revenue by main revenue Source

Description	Past performance		Current Year		MTREF					
	Audited Outcomes 2015/16		Adjusted Budget 2016/17		Budget Year 2017/18		Budget Year+1 2018/19		Budget Year+2 2019/20	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Property rates	208 270	18%	207 596	13%	207 596	12%	217 976	12%	228 875	13%
Service charges - electricity	273 034	24%	562 052	35%	558 165	33%	575 069	32%	584 630	32%
Service charges - water	42 927	4%	73 882	5%	78 315	5%	82 231	5%	86 342	5%
Service charges - sanitation	54 593	5%	39 224	2%	41 577	2%	43 656	2%	45 839	3%
Service charges - refuse	32 826	3%	32 860	2%	34 832	2%	36 573	2%	38 402	2%
Income received by the entity (for water & sewer)	-	0%	77 173	5%	92 377	5%	100 556	6%	84 304	5%
Rental of facilities and equipment	1 064	0%	1 054	0%	1 284	0%	1 348	0%	1 415	0%
Interest earned - external investments	2 036	0%	2 900	0%	2 900	0%	3 045	0%	3 197	0%
Interest earned - outstanding debtors	24 926	2%	30 000	2%	31 800	2%	33 390	2%	35 060	2%
Fines	37 662	3%	6 010	0%	8 012	0%	8 413	0%	8 833	0%
Transfers recognised - operational	454 044	39%	564 266	35%	609 966	36%	640 464	36%	672 488	37%
Other revenue	19 045	2%	22 489	1%	27 650	2%	29 033	2%	30 484	2%
TOTAL OPERATING REVENUE	1 150 427	100%	1 619 506	100%	1 694 474	100%	1 771 754	100%	1 819 869	100%

1.3.1.3 PROPERTY RATES

The municipality is in a process of transferring private properties that are still under the municipal name to rightful owners; sites that are being developed; formalisation of rural areas & the introduction of flat rate intended to be implemented in 2018/2019 which will improve collection from rates & taxes. This source of revenue constitutes 12% of the total proposed revenue and it forms part of core functions of the municipality revenue base. It didn't increase because many processes affecting rates and taxes are still in progress.

1.3.1.4 ELECTRICITY REVENUE

The estimation for **electricity revenue** has decreased by R3, 8 million from the Adjustment budget. This source of revenue constitutes 33% of the total operating revenue. Owing to the increases in Eskom's bulk tariffs, it is clearly not possible to fund all these necessary upgrades through increases in the municipality electricity tariff since the resultant tariff increase would be unaffordable for the consumers, however the municipality has invested on the



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revenue enhancement strategies to control tempers, illegal connections and distribution losses.

An installation of the Automatic Meter Reading System (AMR) smart meters on most businesses has been done. Disconnections have started with the residential consumers. Educational road shows have been conducted through the wards in trying to bring back the culture of paying services.

1.3.1.5 WATER & SANITATION REVENUE

These services constitute 5% and 2% of the total operating revenue respectively. The Municipality was experiencing pipe bursts because of the limited capacity to accommodate the growing population. Some big pipes have been bought by the Municipality and will start to be installed

1.3.1.6 INCOME RECEIVED BY THE ENTITY (SERVICE CHARGES- WATER AND SANITATION)

Income received by the Entity constitutes 5% of the total proposed revenue. The billing for all municipal services is run in the Municipality and the collection thereof is paid into the Municipality's bank account, the Entity then bills the Municipality for all cash received for water and sanitation on a monthly basis. **Note should be taken that water and sanitation are the responsibility of Maluti-A-Phofung Water Entity.**

1.3.1.7 REFUSE REMOVAL REVENUE

This source of revenue constitutes 2% of our proposed revenue. **Yellow fleet has been leased** in order to improve the provision of sanitation service and service delivery.

1.3.1.8 GOVERNMENT GRANTS AND SUBSIDIES

This category constitutes 36% of our total operating income and the grants and subsidies consist of the following- see a table below: The equitable share allocations supplement municipalities' own revenues for the provision of basic services to poor households.

Table 4 Operating Transfers and Grant Receipts (as per DoRA)

Description	Adjusted Budget 2016/17	MTREF Allocation		
		Budget Year 2017/18	Budget Year+1 2018/19	Budget Year+2 2019/20
OPERATING GRANTS	R'000	R'000	R'000	R'000
Equitable Share- LGES	453 456	492 281	516 895	542 740
Finance Management - Grant - LGFMG (MSCOA implementation)	1 810	2 145	2 252	2 365
Total Operating Grants	455 266	494 426	519 147	545 105



1.3.1.9 INTEREST EARNED ON EXTERNAL INVESTMENTS

The estimate for **interest earned on external investments** constitutes 0% of the proposed total revenue and it has remained stable when compared to the adjusted budget of 2016/2017. This depends on Municipality's cash flow.

1.3.1.10 INTEREST EARNED ON OUTSTANDING DEBTORS

The estimate for **interest earned on outstanding debtors** increased by 2% from the 2016/17 adjustment budget, interest is not charged on government accounts, 11% of our outstanding debts are from government accounts, 9% from business, 57% from residential, 10% from FDC, 8% from indigents as at 28th February 2017. Note should be taken that non-payment is still a challenge but the Municipality has extended the enforcement of credit control to residential consumers.

1.3.1.11 FINES

The Municipality has introduced the traffic fines management systems through a service provider and is in the process of increasing the installation of CCTV cameras

1.3.1.12 OTHER REVENUE

This group includes revenue generated through services provided to the community, i.e. building plan fees, water and electricity connection fees, fines, transport fees, dumping fees, rent of facilities, etc. and this constitutes 2% of our total Revenue.



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1.4 CONSOLIDATED OPERATING REVENUE FRAMEWORK

1.4.1. PROPOSED TARIFF SETTING

Detailed Proposed tariffs for the 2017/18 financial year are attached to the budget document on

Annexure 3, however the summary of the proposed increase is as follows:

Table 5 summary of proposed tariffs

Description	Average Increase
Rates and Taxes	0%
Electricity	2.00%
Water	6.40%
Refuse	6.40%
Sanitation	6.40%
General Tariffs	6.40%
Community Services	6.40%
Cemetery	6.40%
Advertising	6.40%

1.4.1 Rates and Taxes Tariff

There is no proposed increase on the Property Rates tariff for 2017/18 financial year because the new valuation roll was implemented as from the 1st of July 2015, the following tariffs will apply:

Table 6 Property rates Comparison

PROPERTY RATES AND TAXES TARIFFS						
Category	2017/2018 PROPOSED					
	PROPOSED 2017/2018	Rate per Rand	Rebate %	Rebate Value per Rand	Rate Payable per Rand	Tariff Codes
RESIDENTIAL PROPERTY						
Market value (developed)	0,0076	0,3802	98%	0,3726	0,0076	VA0001
Market value (undeveloped)	0,0380	0,3802	90%	0,3422	0,0380	VA0002
Indigent	0,0000	0,3802	100%	0,3802	0,0000	VA0003
Old Age / Pensioners 100% Rebate on first R200 000 of the market value (Rebate on first R110 000 of market value is granted) (20% rebate will be granted on the full payment made in full before 30 September 2017 for residential only)	0,0000	0,3802	98%	0,3726	0,0076	VA0001
BUSINESS						
Market value (developed)	0,0380	0,7604	95%	0,7224	0,0380	VA0004
Market value (undeveloped)	0,0760	0,7604	90%	0,6844	0,0760	VA0005
STATE OWNED PROPERTY						
Market value (developed)	0,0655	0,0851	23,00%	0,0196	0,0655	VA0025
Market value (undeveloped)	0,0655	0,0851	23,00%	0,0196	0,0655	VA0024



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National Treasury's MFMA Circular No.51 deals inter alia with the implementation of Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on the 1 July 2009 and prescribe the rate ratio for the non-residential categories, public services infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the past budgets processes.

The following stipulations in the Property Rates Policy are highlighted:

The first R110 000 of the market value of a property used for residential purposes is excluded from rate-able value in addition to this 20% rebate will be granted to residential rate payers who will pay their rates account before the 30th of September 2016. 100 per cent rebate will be granted to registered indigents and on the 1st R200 000 of the market value for Old age and state pensioners in terms of Indigent Policy. 100 per cent rebate will be granted to registered non- profit organisation

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth out-strips supply. The municipality is currently in the process of reviewing the current water tariff structure with the help from Cogta to ensure that water tariffs structures are cost reflective by 2018 and also to ensure that:

- Water tariffs are fully cost – reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Table 7 Comparison between current water charge and increase

WATER SERVICES TARIFFS			
SERVICE	APPROVED RATES 2016/2017 R	PROPOSED % INCREASE	PROPOSED RATES 2017/2018 R
TARIFF- 1			
MAP AREA - DOMESTIC USERS OLD AGE HOMES, HOSTELS AND FLATS			
0-6 kl	7,60	6,40%	8,09
7-12 kl	9,30	6,40%	9,90
13-25 kl	9,60	6,40%	10,21
26-40 kl	9,90	6,40%	10,53
41kl and upwards	11,00	6,40%	11,70
0-6kl free basic water for registered indigents only			
0-6 kl non inc municipal area, Plots & Farms	6,00	6,40%	6,38



1.4.3 Sanitation and impact of tariffs increases

A tariff increase of 6.4 per cent for sanitation from 1 July 2017 is proposed. This is based on the input cost assumptions related to water. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation (100 per cent subsidy) will be applicable to registered indigents; and
- The total revenue of sanitation expected to be generated amounts to R41.5 million for the 2017/18 financial year

The following table compares the current and proposed final tariffs:

Table 8 Comparison between current Sanitation charge and increase

WASTE WATER MANAGEMENT (SANITATION) TARIFFS			
SERVICE	APPROVED RATES 2016/2017 R	PROPOSED % INCREASE	PROPOSED RATES 2017/2018 R
TARIFF -1			
DOMESTIC - BASIC CHARGE PER STAND			
Harrismith & Kestell: Domestic, Flats, Old age & Hostels (Residential town)	133,50	6,40%	142,04
Residential @ townships	80,50	6,40%	85,65
<i>Charged monthly</i>			

1.4.4 Electricity and impact of tariff increase

According to Circular 86 the tabling of the Eskom's 2017/18 bulk prices for the municipalities will be on the 5 April 2017. Therefore, municipalities are advised to use the NERSA's guided 0.31% bulk increase when compiling their budget. The municipality has applied for 2% tariff increase for the 2017/18 financial year.

The following table compares the current and approved tariffs

Table 9 Comparison between current Electricity charge and increase

ELECTRICITY TARIFFS				
ELECTRICITY	kWh	APPROVED RATES 2016/2017 R	PROPOSED % INCREASE	PROPOSED RATES 2017/2018 R
Consumer Cost (Tariffs do not include VAT)				
TARIFF -A- DOMESTIC TARIFFS				
House, Flats, Old Age Homes, Hotels, Church Offices, Charity Organisations, Schools, Sport Grounds, Clubs, Agricultural Societies.				
BASIC LEVY - PER MONTH				
Single Phase (Conventional Meters)		189.95	2.00%	193.75
Three Phase (Conventional Meters)		189.95	2.00%	193.75
Rural tariff		194.61	2.00%	198.51
TARIFF PER UNIT				
DOMESTIC NON RURAL				
Conventional Normal meter-per kWh(single phase)summer tariff	(0-50kWh)	0.84	2.00%	0.86
	(51-350kWh)	1.08	2.00%	1.10
	(351-600kWh)	1.52	2.00%	1.55
	(>600kWh)	1.73	2.00%	1.76
Conventional Normal meter-per kWh(single phase)winter tariff	(0-50kWh)	0.88	2.00%	0.90
	(51-350kWh)	1.16	2.00%	1.19
	(351-600kWh)	1.68	2.00%	1.71
	(>600kWh)	1.78	2.00%	1.82
Basic charge conventional NON RURAL(single/three phase)		189.95	2.00%	193.75
Conventional Normal meter-per kWh(three phase)summer tariff	(0-50kWh)	0.88	2.00%	0.90
	(51-350kWh)	1.18	2.00%	1.20
	(351-600kWh)	1.69	2.00%	1.72
	(>600kWh)	1.78	2.00%	1.82
Conventional Normal meter-per kWh(three phase)winter tariff	(0-50kWh)	0.93	2.00%	0.95
	(51-350kWh)	1.35	2.00%	1.38
	(351-600kWh)	1.76	2.00%	1.80
	(>600kWh)	1.80	2.00%	1.83
Pre-paid meter - per kWh(Single phase&three phase)summer tariff	(0-50kWh)	0.85	2.00%	0.87
	(51-350kWh)	1.24	2.00%	1.26
	(351-600kWh)	1.66	2.00%	1.70
	(>600kWh)	1.78	2.00%	1.82
Pre-paid meter - per kWh(Single phase&three phase)winter tariff	(0-50kWh)	0.97	2.00%	0.99
	(51-350kWh)	1.35	2.00%	1.38
	(351-600kWh)	1.66	2.00%	1.70
	(>600kWh)	1.78	2.00%	1.82

1.4.5 Waste management and impact of tariff increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.



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Considering the deficit, the municipality is doing a comprehensive investigation into the cost structure of solid waste function and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. An average of 6.4 per cent increase in the waste removal tariff is proposed from 1 July 2017

Table 10 Comparison between current Refuse removal charge and increase

WASTE MANAGEMENT TARIFFS			
SERVICE	APPROVED RATES 2016/2017 R	APPROVED % INCREASE	APPROVED RATES 2017/2018 R
<u>REFUSE REMOVAL TARIFF (excl. VAT)</u>			
<u>Residential:</u>	Per month for one refuse removal per week		Per month for one refuse removal per week
Residential properties	84,50	6,40%	89,91
Businesses, including businesses operated from residential dwellings (per container per month)	302,00	6,40%	321,33
Industrial Small 208	346,50	6,40%	368,68
Industrial Medium 600	745,50	6,40%	793,21
Industrial Larger 1800	2 235,00	6,40%	2 378,04
Building Waste - Self dumping	free		free
Government, Magistrate, Police	929,00	6,40%	988,46
Market value (undeveloped)			
Schools	474,00	6,40%	504,34
Hospitals	1 264,50	6,40%	1 345,43
Universities	3 347,00	6,40%	3 561,21
Colleges	1 365,00	6,40%	1 452,36
Dumping of refuse by Businesses & Industrial - self dumping per ton	40,50	6,40%	43,09
Flats (Per Units)	1 092,00	6,40%	1 161,89
Business	375,00	6,40%	399,00
Emptying of cages measured by m ³	21,00	6,40%	22,34
Taxi Ranks	1 343,00	6,40%	1 428,95
Garages	1 343,00	6,40%	1 428,95
FDC Complexes (Rural)	1 083,00	6,40%	1 152,31
Hostels and Restaurants	375,00	6,40%	399,00



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1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increase on large and small households, as well as an indigent household receiving free basic services.

Table 11 MBRR Table SA14- Household bills

FS194 Maluti-a-Phofung - Supporting Table SA14 Household bills

PS194 maluti-a-Phofung - Supporting table SA14 Household bins											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		275.50	275.50	392.67	392.67	392.67	392.67	—	392.67	416.23	441.20
Electricity: Basic lev y		149.10	157.28	167.82	176.47	176.47	176.47	2.0%	180.00	190.80	202.25
Electricity: Consumption		1 155.40	1 224.72	1 298.21	1 401.00	1 401.00	1 401.00	2.0%	1 429.02	1 514.76	1 605.65
Water: Basic lev y					—	—	—		—	—	—
Water: Consumption		296.80	314.61	333.48	354.64	354.64	354.64	6.4%	377.34	399.98	423.98
Sanitation		68.38	71.79	126.30	133.50	133.50	133.50	6.4%	142.04	150.57	159.60
Refuse removal		71.83	75.42	79.95	84.50	84.50	84.50	6.4%	89.91	95.30	101.02
Other											
sub-total		2 017.00	2 119.33	2 398.43	2 542.78	2 542.78	2 542.78	2.7%	2 610.98	2 767.64	2 933.70
VAT on Services											
Total large household bill:		2 017.00	2 119.33	2 398.43	2 542.78	2 542.78	2 542.78	2.7%	2 610.98	2 767.64	2 933.70
% increase/-decrease			5.1%	13.2%	6.0%	—	—		2.7%	6.0%	6.0%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		296.80	314.61	266.00	266.00	266.00	266.00	—	266.00	281.96	298.88
Electricity: Basic lev y		149.10	157.28	167.82	176.47	176.47	176.47	2.0%	180.00	190.80	202.25
Electricity: Consumption		498.20	528.09	559.78	598.31	598.31	598.31	2.0%	610.28	646.89	685.71
Water: Basic lev y					—	—	—		—	—	—
Water: Consumption		180.20	191.01	202.47	214.54	214.54	214.54	6.4%	228.27	241.97	256.48
Sanitation		68.38	71.79	76.10	80.50	80.50	80.50	6.4%	85.65	90.79	96.24
Refuse removal		71.83	75.42	79.95	84.50	84.50	84.50	6.4%	89.91	95.30	101.02
Other											
sub-total		1 264.50	1 338.21	1 352.12	1 420.32	1 420.32	1 420.32	2.8%	1 460.11	1 547.71	1 640.58
VAT on Services											
Total small household bill:		1 264.50	1 338.21	1 352.12	1 420.32	1 420.32	1 420.32	2.8%	1 460.11	1 547.71	1 640.58
% increase/-decrease			5.8%	1.0%	5.0%	—	—		2.8%	6.0%	6.0%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic lev y											
Electricity: Consumption		464.50	487.73	42.50	324.00	324.00	324.00	2.0%	330.48	350.31	371.33
Water: Basic lev y					—	—	—				
Water: Consumption		112.37	117.99	43.32	125.72	125.72	125.72	6.4%	133.77	141.79	150.30
Sanitation											
Refuse removal											
Other											
sub-total		576.87	605.72	85.82	449.72	449.72	449.72	3.2%	464.25	492.10	521.63
VAT on Services											
Total small household bill:		576.87	605.72	85.82	449.72	449.72	449.72	3.2%	464.25	492.10	521.63
% increase/-decrease			5.0%	(85.8%)	424.0%	—	—		3.2%	6.0%	6.0%

SOCIAL PACKAGE

The following social package will be provided during 2017/18 financial year.

Table 12 social packages

Service charges	Residents (non-indigents)	Indigents
Electricity	0	50kWh per month
Water	0	6kl per month
Refuse removal	0	100%
Sanitation	0	100%
Assessment rates	(Rebate on first 110 000 of market value is granted)	100%
Assessment rates	(20% rebate will be granted on the full payment made in full before 30 September 2017)	



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1.5 CONSOLIDATED OPERATING EXPENDITURE FRAMEWORK

The expenditure section of the operating budget outlines out all the operating expenses and cash outflows to both internal and external sources.

In order to facilitate accountability departments must budget for all expenditure necessary for the performance of their respective functions.

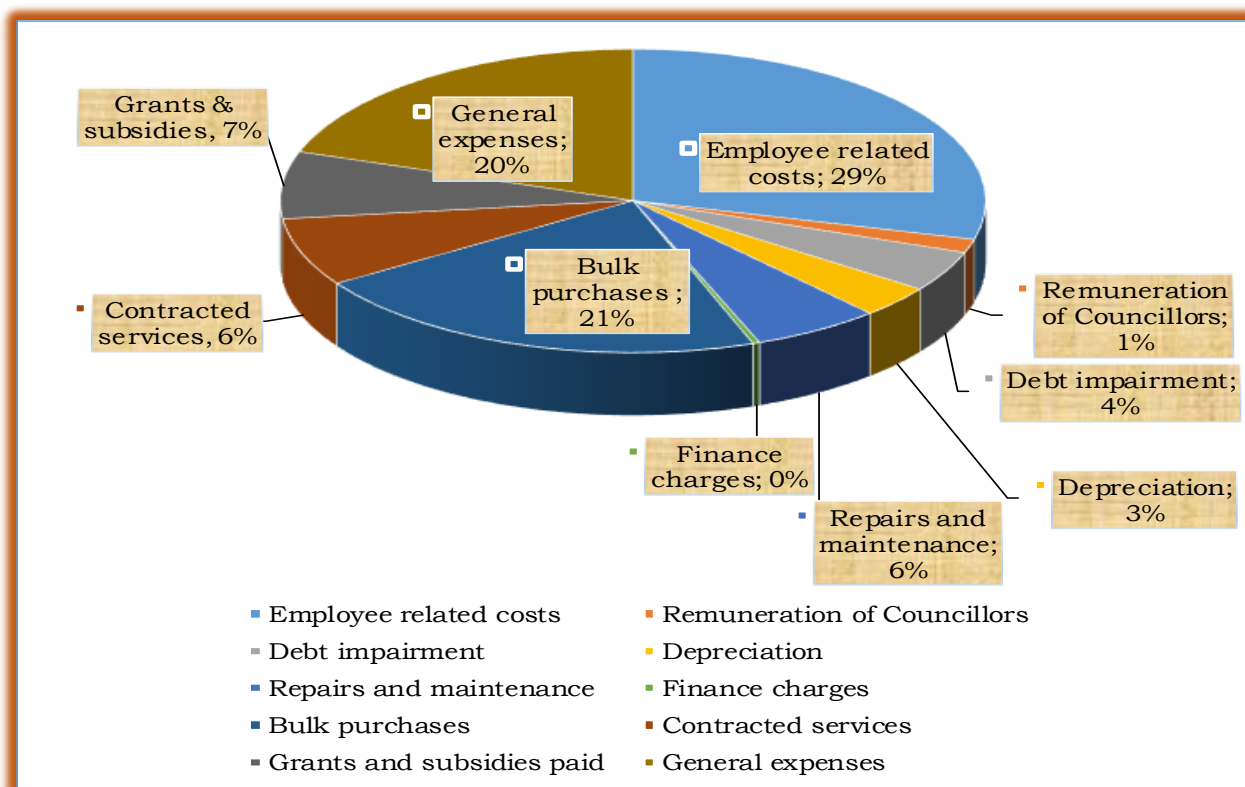
However, departments are required to address only the expenditure items directly manageable by the relevant department.

The zero-based types of analysis where all activities are open to in-depth review and scrutiny during the budget process provides an opportunity for the reallocation of resources to important priorities and avoid continuous growth in the budgeted expenditure of low priorities.

The expenditure budget consists of operational service delivery items and provides, inter alia, for the following:

Table13 Operating Expenditure by Standard classification item

Description	Pre- Audited Outcomes 2015/16	Adjusted Budget 2016/17	MTREF			
			Budget Year 2017/18	% in relation to 2017/18 budget year	Budget Year+1 2018/19	Budget Year+2 2019/20
	R'000	R'000	R'000		R'000	R'000
Employee related costs	415 083	435 380	470 097	29%	493 602	518 282
Remuneration of Councillors	23 134	21 829	23 357	1%	24 525	25 751
Debt impairment	254 821	70 000	70 000	4%	73 500	77 175
Depreciation	279 489	52 866	54 900	3%	57 400	59 425
Repairs and maintenance	103 010	118 197	94 680	6%	99 414	104 385
Finance charges	20 685	4 500	5 000	0%	5 250	5 513
Bulk purchases	675 051	244 982	344 550	21%	362 368	360 052
Contracted services	68 145	126 621	117 054	7%	122 907	112 515
Grants and subsidies paid	-	109 000	115 540	7%	121 317	127 383
General expenses	347 388	352 131	319 196	20%	338 371	355 289
TOTAL OPERATING EXPENDITURE BY TYPE	2 186 806	1 535 506	1 614 374	100%	1 698 654	1 745 770



The following table gives a breakdown of the main expenditure categories for the 2017/18 financial year:

Table 14 Operating Expenditure By Vote

Expenditure By Vote	Pre- Audited Outcomes 2015/16	Adjusted Budget 2016/17	MTREF			
			Budget Year 2017/18	% in relation to 2017/18 budget year	Budget Year+1 2018/19	Budget Year+2 2019/20
	R'000	R'000	R'000		R'000	R'000
Legislative Authority	119 777	126 637	113 984	7%	119 683	125 667
Office of the Municipal Manager	26 908	38 804	51 138	3%	53 695	45 355
Corporate Services	39 981	82 106	63 811	4%	67 002	70 352
Budget & Treasury Office	710 541	372 617	371 609	23%	390 190	409 699
Municipal Infrastructure	122 162	127 507	119 230	7%	125 192	131 452
Community Services	11 748	14 542	15 269	1%	16 033	16 834
Public Safety & Transport	83 387	110 239	116 939	7%	122 786	128 925
Sports, Parks, Arts & Culture	39 015	44 304	49 697	3%	52 181	54 791
LED & Tourism	20 762	36 389	29 855	2%	31 347	29 056
Human Settlements	12 382	13 528	11 868	1%	12 461	13 084
Spatial Development, Planning & Traditional Affairs	9 217	14 880	15 060	1%	15 813	14 950
IDP/PMS	-	-	8 991		9 441	9 913
Electricity Department	892 059	367 780	439 006	27%	460 956	484 004
Maluti Water (Pty) Ltd	98 868	186 173	207 916	13%	221 873	211 687
Total	2 186 807	1 535 506	1 614 373	99%	1 698 653	1 745 769



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Table 15 MBRR Table A3 – Budgeted Financial Performance (revenue and Expenditure by municipal vote)

FS194 Maluti-a-Phofung - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		187	306	523	1 000	600	600	500	525	551
Vote 4 - Budget & Treasury Office		895 673	1 189 435	919 148	900 895	703 412	703 412	746 972	784 321	823 537
Vote 5 - Municipal Infrastructure		115 133	148 823	130 454	145 976	328 486	328 486	364 225	401 333	418 300
Vote 6 - Community Services		25	1 720	2 632	2 547	2 593	2 593	2 723	2 859	3 002
Vote 7 - Public Safety & Transport		2 647	1 965	1 778	7 112	6 663	6 663	8 993	9 443	9 915
Vote 8 - Sports, Parks, Arts & Culture		1 186	540	893	1 010	412	412	437	459	481
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	-	2 290	5 000	8 370	8 370	5 580	5 859	6 152
Vote 10 - Human Settlements		47	55	535	4 153	792	792	1 900	1 995	2 095
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		434	602	390	3 626	353	353	3 197	3 357	3 525
Vote 13 - Electricity Department		104 202	248 774	278 034	571 893	564 173	564 173	561 532	578 603	588 341
Vote 14 - Maluti Water (Pty) Ltd		(77 903)	150 098	131	170 173	186 173	186 173	207 916	221 873	211 687
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 041 632	1 742 319	1 336 810	1 813 385	1 802 026	1 802 026	1 903 974	2 010 626	2 067 585
Expenditure by Vote to be appropriated	1									
Vote 1 - Legislative Authority		38 514	43 407	119 777	122 616	126 637	126 637	113 984	119 683	125 667
Vote 2 - Office of the Municipal Manager		27 386	16 747	26 908	52 736	38 804	38 804	51 138	53 695	45 355
Vote 3 - Corporate Services		17 957	31 101	39 981	38 991	82 106	82 106	63 811	67 002	70 352
Vote 4 - Budget & Treasury Office		641 925	476 515	787 695	349 041	372 617	372 617	371 609	390 190	409 699
Vote 5 - Municipal Infrastructure		139 027	352 843	122 162	86 823	127 507	127 507	119 230	125 192	131 452
Vote 6 - Community Services		7 283	6 378	11 748	13 299	14 542	14 542	15 269	16 033	16 834
Vote 7 - Public Safety & Transport		42 630	62 846	83 387	104 239	110 239	110 239	116 939	122 786	128 925
Vote 8 - Sports, Parks, Arts & Culture		35 651	35 097	39 015	51 373	44 304	44 304	49 697	52 181	54 791
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		10 384	3 767	20 762	32 460	36 389	36 389	29 855	31 347	29 056
Vote 10 - Human Settlements		16 103	15 008	12 382	22 989	13 528	13 528	11 868	12 461	13 084
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	8 991	9 441	9 913
Vote 12 - Spatial Development, Planning & Traditional		7 941	7 787	9 217	13 880	14 880	14 880	15 060	15 813	14 950
Vote 13 - Electricity Department		396 167	986 480	892 059	496 845	367 780	367 780	439 006	460 956	484 004
Vote 14 - Maluti Water (Pty) Ltd		5 269	(171 339)	21 714	170 173	186 173	186 173	207 916	221 873	211 687
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 386 237	1 866 637	2 186 807	1 555 465	1 535 506	1 535 506	1 614 373	1 698 653	1 745 769
Surplus/(Deficit) for the year	2	(344 605)	(124 318)	(849 997)	257 920	266 520	266 520	289 601	311 973	321 817

1.5.1 EMPLOYEE RELATED COST AND REMUNERATION OF COUNCILLORS

- The allocation for employee related cost for 2017/18 amount to R470 million which equals to 29 per cent of the total operating expenditure, and R23 million for remuneration of Councillors allowances which constitutes 1% of the total operating expenditure. The increase in employee related costs is mainly due to the provision of salary increase in the next financial year (2017/18) which is based on the average 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent according to circular 86 and other critical vacant positions of which officials are acting on and budgeted for.



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1.5.2 REPAIRS AND MAINTENANCE

Repairs and Maintenance constitutes 6% of our total annual operating expenditure. This category includes all labour, vehicle and material costs for the repair and maintenance of the assets of the Municipality. It includes both contracted services and services performed by employees. The total cost of asset maintenance is disclosed in this category to enable an evaluation of asset performance.

The repairs and maintenance of buildings, fixed assets, roads, grounds and open spaces, motors and pumps, network reticulations, substations, VIP toilets, storm water systems, traffic lights, vehicles, transformers and CCTV cameras will be included in this category. The deferral of maintenance expenditure on assets has the effect of increasing future maintenance costs and also has potential for reducing the economic life of the asset and hence the flow of economic benefits. Deferrals and the impact thereof should be indicated clearly in the operational plans.

In determining the budget under this section, the following should also be allowed for:

- New assets to be acquired during the course of the year and which would require maintenance.
- Capital assets to be sold or disposed of in the course of the year and which would not require further maintenance.

Departments must indicate their needs to maintain the assets of the Municipality in the repairs and maintenance master plans. Departments must also indicate in their operational plans their annual requirements and the deferred maintenance needs.

Table 16 Repairs and Maintenance per asset class

DESCRIPTION	ADJUSTMENT BUDGET 2015/16	PROPOSED FINAL BUDGET 2016/17	FINAL BUDGET 2017/18	FINAL BUDGET 2018/19
R & M - BUILDINGS	5 000 000,00	3 000 000,00	3 150 000,00	3 307 500,00
R & M - COMPUTER EQUIPMENT	840 000,00	800 000,00	840 000,00	882 000,00
R & M - EQUIPMENT & TOOLS	800 000,00	800 000,00	840 000,00	882 000,00
R & M - FENCING	1 000 000,00	-	-	-
R & M - FURNITURE	300 000,00	300 000,00	315 000,00	330 750,00
R & M - RESURFACING OF ROADS	40 000 000,00	30 000 000,00	31 500 000,00	33 075 000,00
R & M - GROUNDS & OPEN SPACES	300 000,00	1 000 000,00	1 050 000,00	1 102 500,00
R & M - MOTORS & PUMPS	300 000,00	330 000,00	346 500,00	363 825,00
R & M - NETWORK RETICULATION	20 000 000,00	15 000 000,00	15 750 000,00	16 537 500,00
R & M - MAINTANANCE OF VIP TOILETS	5 000 000,00	5 000 000,00	5 250 000,00	5 512 500,00
R & M - STREET LIGHTS	6 000 000,00	-	-	-
R & M - STREETS & STORMWATER (COOPERATIVES)	7 000 000,00	5 000 000,00	5 250 000,00	5 512 500,00
R & M - SUBSTATIONS	8 000 000,00	8 500 000,00	8 925 000,00	9 371 250,00
R & M - VEHICLES	4 000 000,00	4 500 000,00	4 725 000,00	4 961 250,00
R & M - TRANSFORMERS	5 000 000,00	6 800 000,00	7 140 000,00	7 497 000,00
R & M -TRAFFIC LIGHTS	2 000 000,00	-	-	-
R & M- CCTV CAMERAS	800 000,00	1 200 000,00	1 260 000,00	1 323 000,00
R & M- MAP WATER	11 857 016,00	12 449 866,80	13 072 360,14	13 725 978,15
TOTAL	118 197 016,00	94 679 866,80	99 413 860,14	104 384 553,15



1.5.3 BULK PURCHASES (ELECTRICITY & WATER)

Proposed Bulk purchases of electricity and water amounts to R344.5 million which constitutes 21% of the expenditure for 2017/2018 the change is directly informed by the tariff in purchases of bulk electricity from Eskom, actual payments to date in the current financial year and the amount to pay as per the repayment plan.

1.5.4 FINANCE CHARGES

Finance charges include the payment of interest and redemption on external loans by municipality. This constitutes 0% of the total annual operating expenditure for 2017/2018

1.5.5 CONTRACTED SERVICES

This includes services which the municipality lacks human capital and skills in, which have a period of more than one year and these services include amongst others electricity, financial system landside fill, refuse collection, streetlights, valuation roll, revenue enhancement project, indigent and Municipal building insurance. This constitutes 7% of the proposed expenditure for 2017/2018

1.5.6 GRANTS AND SUBSIDIES PAID

These are the grants that the municipality is paying over to the Entity on monthly basis equitably, it constitutes 7% of the proposed expenditure for 2017/2018

1.5.8 GENERAL EXPENSES

General expenses consist mainly of various line items relating to the daily operations of the municipality like, fuel cost, bank charges, consultant fees, training fees, electricity disconnection fees, stationary, printing and postage cost, telecommunication, various rentals, bursaries, special programmes, legal charges etc.

1.5.9 PROVISION FOR DEBTS IMPAIRMENT AND DEPRECIATION AND ASSETS IMPAIRMENT

The provision for debt impairment was determined based on an annual collection rate (Current payment levels) and this expenditure is considered to be a non-cash flow item, it constitutes 4% of the total operating expenditure. This line item was not increased because of the revenue enhancement strategies in place and the constant enforcement of credit control policy.

The provision for depreciation and assets impairment constitutes 3% of our total operating expenditure. It was not increased or decreased from the adjustment budget was because of the municipality's intention to lease yellow & white fleet and disposing off old vehicles.



1.6 CAPITAL BUDGET

The IDP process informs the budget and the preparation of the capital budget is based on the capital development priorities approved through the Intergrated Development Plan (IDP).

The capital budget consists of the non-operational needs of the community as well. The procurement of assets, with a lifespan of more than one year is classified as capital expenditure also.

1.6.1 CONSOLIDATED CAPITAL BY FUNDING SOURCE

The projected annual capital budget amounts to R289.6 million for the 2017/18 financial year, which represents an increase of R23 million (9%) above the approved adjustment capital budget for 2016/17.

Table 17 Medium Term Capital funding

MTREF				
Description	Approved allocation for 2016/17	Budget Year 2017/18	Budget Year+1 2018/19	Budget Year+2 2019/20
CAPITAL GRANTS	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant (MIG)	154 870	166 843	176 873	185 717
Integrated Electrification Programme (INEG)	-	10 000	20 000	20 000
Water Services Infrastructure Grant (WSIG)	20 000	-	-	-
Expanded Public Works Incentive Programme (EPWIP)	7 650	-	-	-
Energy Efficiency & Demand Side Management Grant (EEDSMG)		6 000	-	-
Regional Bulk Infrastructure Grant (RBIG)		26 658	42 000	42 000
Total National Grants	182 520	209 501	238 873	247 717
OWN FUNDS ALLOCATIONS				
Capital Fixed Assets	11 763	10 100	11 100	12 100
Capital projects	72 237	70 000	62 000	62 000
Total own funds allocation	84 000	80 100	73 100	74 100
TOTAL ASSETS	266 520	289 601	311 973	321 817



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Table 18 MBRR Table A5- Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source

FS194 Maluti-a-Phofung - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure		310 545	153 888	198 577	243 520	260 020	260 020	-	286 501	308 873	318 717
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport		-	-	-	-	-	-	-	-	-	-
Vote 8 - Sports, Parks, Arts & Culture		-	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-	-
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	310 545	153 888	198 577	243 520	260 020	260 020	-	286 501	308 873	318 717
Single-year expenditure to be appropriated	2										
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		480	673	4 900	5 500	4 950	4 950	-	2 000	2 000	2 000
Vote 3 - Corporate Services		-	-	-	500	500	500	-	600	600	600
Vote 4 - Budget & Treasury Office		1 752	808	500	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure		-	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport		-	-	843	7 800	1 050	1 050	-	500	500	500
Vote 8 - Sports, Parks, Arts & Culture		-	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	600	-	-	-	-	-	-
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		2 232	1 481	6 243	14 400	6 500	6 500	-	3 100	3 100	3 100
Total Capital Expenditure - Vote		312 777	155 369	204 820	257 920	266 520	266 520	-	289 601	311 973	321 817
Capital Expenditure - Functional											
Governance and administration		8 622	6 286	5 400	6 000	5 450	5 450	-	10 100	11 100	12 100
Executive and council		8 142	5 478	4 900	6 000	5 450	5 450	-	10 100	11 100	12 100
Finance and administration		480	808	500	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		21 743	34 312	55 155	73 787	66 671	66 671	-	80 826	57 045	58 847
Community and social services		11 036	17 398	27 398	30 594	30 384	30 384	-	53 953	51 181	52 690
Sport and recreation		10 707	16 914	26 914	34 793	35 237	35 237	-	26 873	5 864	6 157
Public safety		-	-	843	7 800	1 050	1 050	-	-	-	-
Housing		-	-	-	600	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		96 800	28 448	39 204	86 782	101 939	101 939	-	72 579	95 286	98 801
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		96 800	28 448	39 204	86 782	101 939	101 939	-	72 579	95 286	98 801
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		180 833	81 368	96 681	77 608	81 717	81 717	-	117 755	139 698	142 783
Energy sources		34 539	37 606	37 329	10 048	14 576	14 576	-	28 600	33 900	34 295
Water management		76 583	33 648	38 913	50 168	44 999	44 999	-	42 863	58 520	59 346
Waste water management		69 711	10 114	20 439	17 391	22 142	22 142	-	46 292	47 278	49 142
Waste management		-	-	-	-	-	-	-	-	-	-
Other		4 779	4 955	8 380	13 744	10 744	10 744	-	8 342	8 844	9 286
Total Capital Expenditure - Functional	3	312 777	155 369	204 820	257 920	266 520	266 520	-	289 601	311 973	321 817
Funded by:											
National Government		282 849	155 369	186 197	185 520	182 520	182 520	-	209 501	238 873	247 717
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	282 849	155 369	186 197	185 520	182 520	182 520	-	209 501	238 873	247 717
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		29 928	-	18 623	72 400	84 000	84 000	-	80 100	73 100	74 100
Total Capital Funding	7	312 777	155 369	204 820	257 920	266 520	266 520	-	289 601	311 973	321 817



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Table 19 -List of Capital Project for 2017/18

PROJECTS FROM MIG GRANT		WARD NO	PROPOSED BUDGET 2017/18	PROPOSED BUDGET 2018/19	PROPOSED BUDGET 2019/20
Phuthaditjhaba / QwaQwa: Intermodal/New taxi facility- Phase 1	Phuthaditjhaba	27	12 608 043	4 220 509	4 431 534
Intabazwe / Harrismith: New Commuter infrastructure facility	Intabazwe	22	1 604 756	-	-
PMU Establishment	Project management		8 342 150	8 843 650	9 285 833
Kestell (Tlholong): 5km New paved roads phase 5	Tlholong	3	1 452 500	-	-
Maluti-a-Phofung Phuthaditjhaba: Paving of Roads 14.5km- Phase 3	Phuthaditjhaba	27	1 164 350	-	-
Disaster Park: Paving of 4.5km roads - Phase 3	Disaster Park	34	2 219 600	-	-
Phuthaditjhaba: Provision of water services for network extensions and 2940 erf connections	Manguang, Naledi	12 & 17	1 100 000	-	-
Intabazwe Stadium	Intabazwe	22	16 401 668	4 487 697	4 712 081
Maluti-a-Phofung: Fencing and infrastructure at all cemeteries (Phase 1 C)	Bluegumbosch, Tshiamo, Tlholong	34, 1 and 3	1 249 900	-	-
Bluegumbosch: New indoor Sport and Recreational Facility	Bluegumbosch	34	10 470 950	1 376 460	1 445 283
Tshiamo B: Paving of 6km roads - Phase 2B	Tshiamo B	1	1 179 495	-	-
Phuthaditjhaba: Provision of water services for network extensions and 3907 erf connections	Bolata, Phameng	12 & 35	1 477 200	-	-
Harrismith / Intabazwe Ext. 3: Sewer Outfall Line and Rising Main	Intabazwe Ext 3	5	9 824 093	5 675 907	5 959 702
Wilge: Construction of a 4 ML Reservoir	Wilgepark Harrismith	6	500 000.00	7 447 994.23	7 820 394
Tshiamo B: Construction of Paved Roads Phase 3	Tshiamo B	1	7 500 000	17 750 000	18 637 500
Namahadi construction of Paved road and stormwater: QwaQwa rural phase 2	Namahadi	18	13 875 000	13 625 000	14 306 250
Intabazwe/Harrismith establishment of fire station	Harrismith	22	6 923 701	10 076 299	10 580 114
Phuthaditjhaba Upgrading of Town hall	Phuthaditjhaba	29	5 642 652	8 357 348	8 775 215
Monontsha:Construction of footbridge	Monontsha; Bolata; Paballong	9; 11; 13	5 104 293	7 895 707	8 290 492
Tshiamo B: New Commuter Facility	Tshiamo B	1	5 876 891	17 722 012	18 608 112
Kestell/ Tlholong New Paved road Phase 6	Kestel	3	2 706 483	7 293 517	7 658 193
Maluti A Phofung high mast light 4 towns phase 2		6; 22	3 100 000	7 900 000	8 295 000
Intabazwe: Paving of 6km-Phase 2	Intabazwe	5			-
Tlholong: New Taxi Facility	Tlholong	3	2 923 833	7 526 698	7 903 033
Construction of sewer network for Namahadi	Namahadi	26	3 000 000	5 500 000	5 775 000
Intabazwe Paving of 4,5km roads - Phase 3	Intabazwe	4	5 500 000	6 000 000	6 300 000
Intabazwe Ext. 3: Construction of Waterborne Sewer Network	Intabazwe	5	3 000 000	7 857 000	8 249 850
Bluegumbosch: Refurbishment of Sewer Line	Bluegumbosch	34	5 255 035	10 744 966	11 282 214
Intabazwe Ext. 3: Construction of Internal Water Reticulation with Water Meters	Intabazwe	5	8 127 788	1 214 946	1 275 694
Construction of Manguang sewer network	Manguang	17	10 712 618	10 287 382	10 801 751
Kgotsoeng: Construction of Sewer Network	Lusaka	24, 30	2 500 000	4 069 909	4 273 405
Thabong: Construction of Sewer Network	Lusaka	30	5 500 000	1 000 000	1 050 000
TOTAL PROJECTS FROM MIG GRANT			166 843 000	176 873 000	185 716 650



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PROJECTS FROM OTHER SOURCES OF FUNDING		WARD NO	PROPOSED BUDGET 2017/18	PROPOSED BUDGET 2018/19	PROPOSED BUDGET 2019/20
Electrification Programme	Wards will be determined after the Final DoRA is issued		10 000 000	20 000 000	20 000 000
Eradication of backlogs (DoE)					
Energy Efficiency & Demand Side Management Grant (EDMG)			6 000 000	-	-
Regional Bulk Infrastructure Grant (RBIG)			26 658 000	42 000 000	42 000 000
TOTAL PROJECTS FROM OTHER SOURCES OF FUNDING			42 658 000	62 000 000	62 000 000
PROJECTS FROM OWN FUNDS		WARD NO	PROPOSED BUDGET 2017/18	PROPOSED BUDGET 2018/19	PROPOSED BUDGET 2019/20
Sewerage connection Lusaka	Lusaka	30 and 24	4 000 000	5 000 000	5 000 000
Motebang street - Rebuilt	Phuthaditjhaba	27	5 000 000	5 000 000	5 000 000
Maluti Contractor Development		25	20 000 000	21 000 000	21 000 000
Water Tanks (Jojo)		All wards	2 000 000	-	-
Resurfacing of Roads (Tar)	Harrismith (Vowe, Southey, Piet Retief streets)	6,7,22,25, 28,29	5 000 000	5 000 000	5 000 000
Turfontein / Makeneng Road phase 2	Turfontein	16	3 000 000	5 000 000	5 000 000
Footbridges MAP	Tseki; Bolata; Naledi; Phuthadithaba	10,12,14, 29,31	5 000 000	5 000 000	5 000 000
Maqhekung Infrastructure	Maqhekung	27	3 000 000	5 000 000	5 000 000
Construction of Bridge ; SANRAL	Harrismith	22	5 000 000	-	-
Makholokweng sewer	Makholokweng	1	3 000 000	5 000 000	5 000 000
VIP toilets project (360 toilets / annum)	Still to be determined		2 500 000	-	-
MIG counterfunding	PMU Projects		3 000 000	-	-
B-strong Electrification	Bolata	14	3 000 000	3 000 000	3 000 000
Makgabisi Electrification	Tebang	32	3 000 000	3 000 000	3 000 000
MAP Transformers		All wards	3 500 000		
TOTAL PROJECTS FROM OWN FUNDS			70 000 000	62 000 000	62 000 000
FIXED ASSETS			PROPOSED BUDGET 2017/18	PROPOSED BUDGET 2018/19	PROPOSED BUDGET 2019/20
Computer & equipment			1 000 000	1 000 000	1 000 000
Equipment/tools/off. Machines			1 000 000	1 000 000	1 000 000
Furniture & fittings			600 000	600 000	600 000
Cctv cameras			500 000	500 000	500 000
Plant & Machinery			7 000 000	8 000 000	9 000 000
TOTAL FIXED ASSETS			10 100 000	11 100 000	12 100 000
TOTAL OWN SOURCE PROJECTS AND FIXED ASSETS			80 100 000	73 100 000	74 100 000
TOTAL CAPITAL PROJECTS			289 601 000	311 973 000	321 816 650



Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

1.7 PROPOSED ANNUAL BUDGET TABLES -PARENT MUNICIPALITY

The following tables present the Municipality's main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables indicate operating income and expenditure budget for 2017/18 and two outer years.

TABLE 20 MBRR Table A1 – Budget summary

FS194 Maluti-a-Phofung - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	167 544	120 001	208 270	207 596	207 596	207 596	–	207 596	217 976	228 875
Service charges	202 476	395 516	403 380	714 784	708 018	708 018	–	712 889	737 529	755 213
Investment revenue	2 805	1 116	2 036	2 400	2 900	2 900	–	2 900	3 045	3 197
Transfers recognised - operational	362 667	403 189	454 043	459 907	455 266	455 266	–	494 426	519 147	545 105
Other own revenue	101 193	465 924	82 753	73 005	59 553	59 553	–	68 746	72 183	75 792
Total Revenue (excluding capital transfers and contributions)	836 685	1 385 747	1 150 481	1 457 692	1 433 333	1 433 333	–	1 486 557	1 549 880	1 608 181
Employee costs	230 121	255 372	316 215	336 890	325 979	325 979	–	357 549	375 426	394 198
Remuneration of councillors	20 134	23 390	22 908	24 098	21 829	21 829	–	23 357	24 525	25 751
Depreciation & asset impairment	215 649	186 121	278 694	50 000	50 000	50 000	–	50 000	52 500	55 125
Finance charges	5 769	4 468	4 479	6 000	4 500	4 500	–	5 000	5 250	5 513
Materials and bulk purchases	282 062	483 309	709 906	380 000	230 000	230 000	–	315 000	330 750	347 288
Transfers and grants	80 000	100 222	95 000	105 000	109 000	109 000	–	115 540	121 317	127 383
Other expenditure	547 232	985 094	737 892	483 304	608 025	608 025	–	540 011	567 012	578 825
Total Expenditure	1 380 967	2 037 976	2 165 093	1 385 292	1 349 333	1 349 333	–	1 406 457	1 476 780	1 534 081
Surplus/(Deficit)	(544 282)	(652 229)	(1 014 612)	72 400	84 000	84 000	–	80 100	73 100	74 100
Transfers and subsidies - capital (monetary allocated)	282 849	206 474	186 197	185 520	182 520	182 520	–	209 501	238 873	247 717
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(261 433)	(445 755)	(828 415)	257 920	266 520	266 520	–	289 601	311 973	321 817
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(261 433)	(445 755)	(828 415)	257 920	266 520	266 520	–	289 601	311 973	321 817
Capital expenditure & funds sources										
Capital expenditure	310 341	249 765	206 867	257 920	266 520	266 520	–	289 601	311 973	321 817
Transfers recognised - capital	282 849	204 368	186 197	185 520	182 520	182 520	–	209 501	238 873	247 717
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	27 492	45 397	20 670	72 400	84 000	84 000	–	80 100	73 100	74 100
Total sources of capital funds	310 341	249 765	206 867	257 920	266 520	266 520	–	289 601	311 973	321 817
Financial position										
Total current assets	326 803	556 382	569 698	934 276	934 276	934 276	–	683 093	717 248	753 110
Total non current assets	3 223 334	3 036 353	2 983 861	3 187 345	3 187 345	3 187 345	–	3 133 054	3 289 707	3 454 193
Total current liabilities	652 347	1 148 999	1 664 430	892 307	892 307	892 307	–	642 319	674 435	708 157
Total non current liabilities	62 281	53 982	78 200	54 316	50 816	50 816	–	79 630	81 362	84 280
Community wealth/Equity	2 835 509	2 389 754	1 810 929	3 174 997	3 178 497	3 178 497	–	3 094 198	3 251 158	3 414 866
Cash flows										
Net cash from (used) operating	286 783	45 395	210 001	379 966	391 020	391 020	–	409 601	437 973	454 117
Net cash from (used) investing	(296 013)	8 748	(200 825)	(251 920)	(266 520)	(266 520)	–	(289 601)	(311 973)	(321 817)
Net cash from (used) financing	(2 321)	(3 545)	(3 057)	(6 000)	(4 500)	(4 500)	–	–	–	–
Cash/cash equivalents at the year end	(43 870)	6 729	12 847	125 046	122 841	122 841	–	128 290	254 290	386 590
Cash backing/surplus reconciliation										
Cash and investments available	(43 234)	7 515	8 350	7 065	7 065	7 065	–	8 768	9 206	9 666
Application of cash and investments	508 234	710 583	1 119 120	(13 036)	(12 801)	(12 801)	–	(20 201)	(20 967)	(21 578)
Balance - surplus (shortfall)	(551 468)	(703 067)	(1 110 770)	20 101	19 866	19 866	–	28 968	30 173	31 244
Asset management										
Asset register summary (WDV)	2 870 207	3 035 205	2 980 846	3 186 965	3 186 965	3 186 965	3 129 888	3 129 888	3 286 383	3 450 702
Depreciation	215 649	186 121	278 694	50 000	50 000	50 000	50 000	50 000	52 500	55 125
Renewal of Existing Assets	10 309	3 497	12 082	24 808	16 618	16 618	16 618	28 968	22 921	24 067
Repairs and Maintenance	72 185	446 129	97 751	65 970	106 340	106 340	82 230	82 230	86 342	90 659
Free services										
Cost of Free Basic Services provided	59 751	57 927	45 873	48 254	30 855	30 855	32 972	32 972	34 620	36 351
Revenue cost of free services provided	616 242	715 927	3 444 860	2 697 827	2 852 700	2 852 700	2 852 700	2 852 700	2 995 335	3 145 102
Households below minimum service level										
Water:	4	4	4	4	4	4	4	4	4	4
Sanitation/sewage:	5	4	4	4	4	4	4	4	4	5
Energy:	48	45	42	42	42	39	36	36	36	38
Refuse:	74	73	73	73	73	73	73	73	73	77



Explanatory notes to MBRR Table A1- Budget Summary

- Table A1 represents a high-level summary of the Municipality's budget, providing a view that includes all major components of i.e. (Operating, Capital expenditure, financial position, cash flow, and MFMA funding compliance)
 - The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic services delivery backlogs.
 - Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flows Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
- 1) The municipality's financial performance shows surplus position over 2017/18 MTREF.
 - 2) The municipality's capital expenditure is funded from the following
 - Transfers recognised- capital as reflected on the Financial Performance
 - Internally generated funds which will be financed from property tax and service charges. The affordability and sustainability of these funds is confirmed by the positive and increasing cash flow over the 2017/218 MTREF.
 - 3) The municipality's cash backing/surplus reconciliation over the 2017/18 MTREF shows a positive and increasing trend, which is an indication that the Municipality will be able to afford its commitments over the next three years.



Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 21

FS194 Maluti-a-Phofung - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		895 991	1 190 347	919 780	901 895	704 024	704 024	747 472	784 846	824 088
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		895 991	1 190 347	919 780	901 895	704 024	704 024	747 472	784 846	824 088
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		1 628	2 589	4 225	7 962	4 097	4 097	5 622	5 903	6 198
Community and social services		71	1 775	2 782	2 720	2 823	2 823	2 723	2 859	3 002
Sport and recreation		1 186	540	893	1 010	412	412	437	459	481
Public safety		371	274	165	252	312	312	563	591	620
Housing		—	—	385	3 980	550	550	1 900	1 995	2 095
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		2 711	2 295	2 003	10 496	189 224	189 224	221 128	251 082	260 536
Planning and development		434	602	390	3 626	353	353	3 197	3 357	3 525
Road transport		2 277	1 693	1 613	6 870	188 871	188 871	217 931	247 725	257 011
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		219 205	396 989	408 380	717 859	710 139	710 139	716 256	741 064	758 924
Energy sources		104 202	248 774	278 034	571 893	564 173	564 173	561 532	578 603	588 341
Water management		61 987	71 289	42 927	73 882	73 882	73 882	78 315	82 231	86 342
Waste water management		31 329	49 226	54 593	39 224	39 224	39 224	41 577	43 656	45 839
Waste management		21 688	27 700	32 826	32 860	32 860	32 860	34 832	36 573	38 402
<i>Other</i>	4	—	—	2 290	5 000	8 370	8 370	5 580	5 559	6 152
Total Revenue - Functional	2	1 119 534	1 592 221	1 336 678	1 643 212	1 615 853	1 615 853	1 696 058	1 788 753	1 855 898
Expenditure - Functional										
<i>Governance and administration</i>		730 010	569 790	981 294	570 864	628 190	628 190	636 030	667 832	690 198
Executive and council		62 778	55 465	141 304	159 978	146 212	146 212	129 695	136 180	142 989
Finance and administration		667 232	514 325	839 991	410 886	481 978	481 978	501 837	526 929	542 251
Internal audit		—	—	—	—	—	—	4 498	4 723	4 959
<i>Community and public safety</i>		87 522	77 108	131 751	154 608	151 441	151 441	133 397	140 067	147 070
Community and social services		14 412	14 049	18 326	21 668	14 757	14 757	20 499	21 524	22 600
Sport and recreation		50 105	36 490	85 332	104 577	106 327	106 327	79 402	83 372	87 541
Public safety		17 334	21 276	22 290	21 223	25 070	25 070	26 980	28 329	29 746
Housing		5 671	5 293	5 804	7 140	5 287	5 287	6 516	6 841	7 184
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		118 103	354 085	100 323	101 817	132 094	132 094	125 976	132 275	137 235
Planning and development		12 121	9 534	17 177	29 880	28 004	28 004	30 862	32 405	32 372
Road transport		105 981	344 551	83 146	71 937	104 090	104 090	95 114	99 869	104 863
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		439 129	1 034 944	938 922	541 543	414 343	414 343	488 011	512 411	538 032
Energy sources		396 167	986 480	892 059	496 845	367 780	367 780	439 006	460 956	484 004
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		42 962	48 464	46 863	44 698	46 563	46 563	49 005	51 455	54 028
<i>Other</i>	4	6 204	2 049	12 802	16 460	23 265	23 265	23 043	24 195	21 546
Total Expenditure - Functional	3	1 380 967	2 037 976	2 165 093	1 385 292	1 349 333	1 349 333	1 406 457	1 476 780	1 534 081
Surplus/(Deficit) for the year		(261 433)	(445 755)	(828 415)	257 920	266 520	266 520	289 601	311 973	321 817

Explanatory notes to MBRR Table A2- Budgeted Financial Performance (Revenue and expenditure by standard classification)

- Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 15 functional areas.
- This table highlights that the revenues for Trading services exceed their expenditure and this is absorbed within the rates revenue and other service charges, however the municipality will undertake a project to compile a transparent tariff structure to explore ways of improving efficiencies.
- Other functions that show a deficit when comparing revenue and expenditure are financed from rates and taxes revenues and other revenues sources reflected under the Budget and treasury office.



Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 22

FS194 Maluti-a-Phofung - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote		1								
Vote 1 - Legislative Authority		–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		187	306	523	1 000	600	600	500	525	551
Vote 4 - Budget & Treasury Office		895 673	1 189 435	919 148	900 895	703 412	703 412	746 972	784 321	823 537
Vote 5 - Municipal Infrastructure		115 133	148 823	130 454	145 976	328 486	328 486	364 225	401 333	418 300
Vote 6 - Community Services		25	1 720	2 632	2 547	2 593	2 593	2 723	2 859	3 002
Vote 7 - Public Safety & Transport		2 647	1 965	1 778	7 112	6 663	6 663	8 993	9 443	9 915
Vote 8 - Sports, Parks, Arts & Culture		1 186	540	893	1 010	412	412	437	459	481
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		–	–	2 290	5 000	8 370	8 370	5 580	5 859	6 152
Vote 10 - Human Settlements		47	55	535	4 153	792	792	1 900	1 995	2 095
Vote 11 - IDP- PMS Department		–	–	–	–	–	–	–	–	–
Vote 12 - Spatial Development, Planning & Traditional		434	602	390	3 626	353	353	3 197	3 357	3 525
Vote 13 - Electricity Department		104 202	248 774	278 034	571 893	564 173	564 173	561 532	578 603	588 341
Vote 14 - Maluti Water (Pty) Ltd		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	1 119 534	1 592 221	1 336 678	1 643 212	1 615 853	1 615 853	1 696 058	1 788 753	1 855 898
Expenditure by Vote to be appropriated		1								
Vote 1 - Legislative Authority		38 514	43 407	119 777	122 616	126 637	126 637	113 984	119 683	125 667
Vote 2 - Office of the Municipal Manager		27 386	16 747	26 908	52 736	38 804	38 804	51 138	53 695	45 355
Vote 3 - Corporate Services		17 957	31 101	39 981	38 991	82 106	82 106	63 811	67 002	70 352
Vote 4 - Budget & Treasury Office		641 925	476 515	787 695	349 041	372 617	372 617	371 609	390 190	409 699
Vote 5 - Municipal Infrastructure		139 027	352 843	122 162	86 823	127 507	127 507	119 230	125 192	131 452
Vote 6 - Community Services		7 283	6 378	11 748	13 299	14 542	14 542	15 269	16 033	16 834
Vote 7 - Public Safety & Transport		42 630	62 846	83 387	104 239	110 239	110 239	116 939	122 786	128 925
Vote 8 - Sports, Parks, Arts & Culture		35 651	35 097	39 015	51 373	44 304	44 304	49 697	52 181	54 791
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		10 384	3 767	20 762	32 460	36 389	36 389	29 855	31 347	29 056
Vote 10 - Human Settlements		16 103	15 008	12 382	22 989	13 528	13 528	11 868	12 461	13 084
Vote 11 - IDP- PMS Department		–	–	–	–	–	–	8 991	9 441	9 913
Vote 12 - Spatial Development, Planning & Traditional		7 941	7 787	9 217	13 880	14 880	14 880	15 060	15 813	14 950
Vote 13 - Electricity Department		396 167	986 480	892 059	496 845	367 780	367 780	439 006	460 956	484 004
Vote 14 - Maluti Water (Pty) Ltd		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	1 380 967	2 037 976	2 165 093	1 385 292	1 349 333	1 349 333	1 406 457	1 476 780	1 534 081
Surplus/(Deficit) for the year	2	(261 433)	(445 755)	(828 415)	257 920	266 520	266 520	289 601	311 973	321 817

Explanatory notes to MBRR Table A3- Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 shows budgeted financial performance in relation to the revenue and expenditure and the operating surplus or deficit per municipal vote.
- The Water and sanitation is responsibility of the Municipal entity

Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 23

FS194 Maluti-a-Phofung - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	167 544	120 001	208 270	207 596	207 596	207 596	–	207 596	217 976	228 875
Service charges - electricity revenue	2	87 473	247 302	273 034	568 818	562 052	562 052	–	558 165	575 069	584 630
Service charges - water revenue	2	61 987	71 289	42 927	73 882	73 882	73 882	–	78 315	82 231	86 342
Service charges - sanitation revenue	2	31 329	49 226	54 593	39 224	39 224	39 224	–	41 577	43 656	45 839
Service charges - refuse revenue	2	21 688	27 700	32 826	32 860	32 860	32 860	–	34 832	36 573	38 402
Service charges - other											
Rental of facilities and equipment		968	850	1 064	2 058	1 054	1 054		1 284	1 348	1 415
Interest earned - external investments		2 805	1 116	2 036	2 400	2 900	2 900		2 900	3 045	3 197
Interest earned - outstanding debtors		23 362	16 771	24 926	26 500	30 000	30 000		31 800	33 390	35 060
Dividends received											
Fines, penalties and forfeits		843	880	37 662	6 055	6 010	6 010		8 012	8 413	8 833
Licences and permits											
Agency services											
Transfers and subsidies		362 667	403 189	454 043	459 907	455 266	455 266		494 426	519 147	545 105
Other revenue	2	76 020	447 423	19 101	38 392	22 489	22 489	–	27 650	29 033	30 484
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		836 685	1 385 747	1 150 481	1 457 692	1 433 333	1 433 333	–	1 486 557	1 549 880	1 608 181
Expenditure By Type											
Employee related costs	2	230 121	255 372	316 215	336 890	325 979	325 979	–	357 549	375 426	394 198
Remuneration of councillors		20 134	23 390	22 908	24 098	21 829	21 829		23 357	24 525	25 751
Debt impairment	3	183 813	(162 969)	254 821	70 050	70 000	70 000		70 000	73 500	77 175
Depreciation & asset impairment	2	215 649	186 121	278 694	50 000	50 000	50 000	–	50 000	52 500	55 125
Finance charges		5 769	4 468	4 479	6 000	4 500	4 500		5 000	5 250	5 513
Bulk purchases	2	282 062	483 309	709 906	380 000	230 000	230 000	–	315 000	330 750	347 288
Other materials	8										
Contracted services		79 388	58 034	62 139	87 140	126 621	126 621	–	117 054	122 907	129 052
Transfers and subsidies		80 000	100 222	95 000	105 000	109 000	109 000	–	115 540	121 317	127 383
Other expenditure	4, 5	284 032	1 090 029	420 932	326 114	411 404	411 404	–	352 957	370 605	372 598
Loss on disposal of PPE											
Total Expenditure		1 380 967	2 037 976	2 165 093	1 385 292	1 349 333	1 349 333	–	1 406 457	1 476 780	1 534 081
Surplus/(Deficit)		(544 282)	(652 229)	(1 014 612)	72 400	84 000	84 000	–	80 100	73 100	74 100
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		282 849	206 474	186 197	185 520	182 520	182 520		209 501	238 873	247 717
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Transfers and subsidies - capital (in-kind - all)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(261 433)	(445 755)	(828 415)	257 920	266 520	266 520	–	289 601	311 973	321 817
Tax ation											
Surplus/(Deficit) after taxation		(261 433)	(445 755)	(828 415)	257 920	266 520	266 520	–	289 601	311 973	321 817
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(261 433)	(445 755)	(828 415)	257 920	266 520	266 520	–	289 601	311 973	321 817
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(261 433)	(445 755)	(828 415)	257 920	266 520	266 520	–	289 601	311 973	321 817

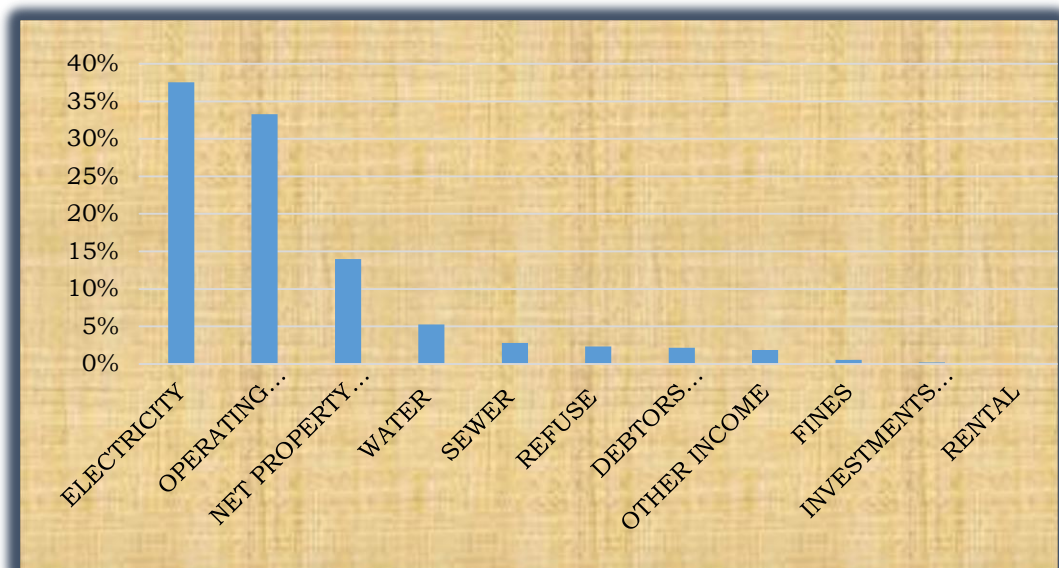
Explanatory notes to Table A4-Budgeted Financial Performance (revenue and expenditure)

- Table A4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. The projected annual revenue as reflected in this table amounts to R1,486,557,081 (R1.486 billion) for the 2017/18 financial year, which represents an increase of R53.2 million (4%) more than the Adjustment budget for 2016/17. For the 2018/19 and 2019/20 financial years the annual budgeted expenditure amounts to R1,549,879,935 (R1.549 billion) which represents an increase of R63.3 million (4%) and R1,608,181,432 (R1.608 billion) which represents an increase of R58.3 million (4%) respectively.
- Revenue to be generated from Property Rates amounts to R207, 596 million in the 2017/18 financial year and increases to R228, 874 million by 2019/20.

This revenue represents 12% of the operating revenue base of the municipality and therefore remains significant funding source for the municipality.

- Service charges relating to Electricity, Water, Sanitation and Refuse Removal constitute the biggest component of the revenue basket of the municipality totalling to R712,889 million for the 2017/18 financial year and increasing to R737,529 million and R755,213 million in 2018/19 and 2019/2020 respectively. For the 2017/18 financial year, service charges are 48% of the total anticipated revenue.
- Transfers Recognised- Operating includes the equitable share and the finance management grant from national government. The grants receipts from National government seem to be more by 9 per cent in 2017/2018 as compared to 2016/2017, the allocations increase by 5% for 2018/19 and 5% for the 2019/20 outer years.

The following graph illustrates the major revenue items per type.



- Bulk purchases have increased from R230 million from the adjustment budget 2016/2017 to R315 million in 2017/2018 and escalating to R347 million by 2019/2020. This change is attributed to substantial increase in the cost of bulk electricity from Eskom.
- Employee related costs is also the main cost driver within the Municipality's operating Expenditure, i.e. from R347,807 million to R380,906 million a provision has been made as per circular 86 and other critical vacant positions.
- Other Expenditure consist mainly of various line items relating to daily operations of the municipality like, fuel cost, bank charges, consultant fees, audit fees, telecommunication, printing and postage cost, bursaries, special programmes etc.



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TABLE 24

FS194 Maluti-a-Phofung - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure		308 109	244 371	200 624	243 520	260 020	260 020	-	286 501	308 873	318 717
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport		-	-	-	-	-	-	-	-	-	-
Vote 8 - Sports, Parks, Arts & Culture		-	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-	-
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	308 109	244 371	200 624	243 520	260 020	260 020	-	286 501	308 873	318 717
Single-year expenditure to be appropriated	2										
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		480	673	4 900	5 500	4 950	4 950	-	2 000	2 000	2 000
Vote 3 - Corporate Services		-	-	-	500	500	500	-	600	600	600
Vote 4 - Budget & Treasury Office		1 752	808	500	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure		-	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport		-	3 913	843	7 800	1 050	1 050	-	500	500	500
Vote 8 - Sports, Parks, Arts & Culture		-	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	600	-	-	-	-	-	-
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		2 232	5 394	6 243	14 400	6 500	6 500	-	3 100	3 100	3 100
Total Capital Expenditure - Vote		310 341	249 765	206 867	257 920	266 520	266 520	-	289 601	311 973	321 817
Capital Expenditure - Functional											
Governance and administration		2 232	1 481	5 400	6 000	5 450	5 450	-	10 100	11 100	12 100
Executive and council		480	673	4 900	6 000	5 450	5 450	-	10 100	11 100	12 100
Finance and administration		1 752	808	500	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		21 743	41 145	55 155	73 787	66 671	66 671	-	80 826	57 045	58 847
Community and social services		11 036	17 676	27 398	30 594	30 384	30 384	-	53 953	51 181	52 690
Sport and recreation		10 707	19 557	26 914	34 793	35 237	35 237	-	26 873	5 864	6 157
Public safety		-	3 913	843	7 800	1 050	1 050	-	-	-	-
Housing		-	-	-	600	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		98 170	30 012	39 204	86 782	101 939	101 939	-	72 579	95 286	98 801
Planning and development		6 389	1 565	-	-	-	-	-	-	-	-
Road transport		91 781	28 448	39 204	86 782	101 939	101 939	-	72 579	95 286	98 801
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		178 397	172 171	98 728	77 608	81 717	81 717	-	117 755	139 698	142 783
Energy sources		34 539	37 606	37 329	10 048	14 576	14 576	-	28 600	33 900	34 295
Water management		74 147	73 648	40 960	50 168	44 999	44 999	-	42 863	58 520	59 346
Waste water management		69 711	60 917	20 439	17 391	22 142	22 142	-	46 292	47 278	49 142
Waste management		-	-	-	-	-	-	-	-	-	-
Other		9 798	4 955	8 380	13 744	10 744	10 744	-	8 342	8 844	9 286
Total Capital Expenditure - Functional	3	310 341	249 765	206 867	257 920	266 520	266 520	-	289 601	311 973	321 817
Funded by:											
National Government		282 849	204 368	186 197	185 520	182 520	182 520	-	209 501	238 873	247 717
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	282 849	204 368	186 197	185 520	182 520	182 520	-	209 501	238 873	247 717
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		27 492	45 397	20 670	72 400	84 000	84 000	-	80 100	73 100	74 100
Total Capital Funding	7	310 341	249 765	206 867	257 920	266 520	266 520	-	289 601	311 973	321 817



Explanatory Note to Table A5- Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of capital programme in relation to capital expenditure by municipal vote (multi-year and single- year appropriations) capital expenditure by standard classification, and funding sources required to fund the Capital budget, including information on capital transfers from National and Provincial Departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The municipality has allocated multi-year appropriations amounting to R289,601 million in 2017/2018 increasing to R311,973 million and R321,817 million in 2018/2019 and 2019/2020 respectively.
3. The Capital Budget is funded by allocations made to the Municipality by National Government and internally generated funds from current year surpluses. For 2017/2018 capital transfers total to R209,501 million increased to R238,873 million and R247,717 million in 2018/2019 and 2019/2020 respectively with internally generated funding to proper rendering of services to the public



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TABLE 25

FS194 Maluti-a-Phofung - Table A6 Budgeted Financial Position

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
ASSETS													
Current assets													
Cash			3 900	6 729	7 895	7 065	7 065	7 065		8 290	8 705	9 140	
Call investment deposits	1		–	–	–	–	–	–	–	–	–	–	
Consumer debtors	1		107 379	314 167	328 656	679 950	679 950	679 950	–	430 000	451 500	474 075	
Other debtors			14 268	231 933	230 367	243 529	243 529	243 529		241 886	253 980	266 679	
Current portion of long-term receivables			9 101	1 214	645	1 274	1 274	1 274		678	712	747	
Inv entory	2		192 154	2 340	2 133	2 457	2 457	2 457		2 240	2 352	2 469	
Total current assets			326 803	556 382	569 698	934 276	934 276	934 276	–	683 093	717 248	753 110	
Non current assets													
Long-term receivables			710	361	2 560	379	379	379		2 688	2 823	2 964	
Inv estments			636	787	455	–	–	–		477	501	526	
Inv estment property			42 520	42 163	68 347	44 271	44 271	44 271		71 765	75 353	79 120	
Inv estment in Associate			0	0	0	–	–	–		0	0	0	
Property, plant and equipment	3		3 179 466	2 993 040	2 911 220	3 142 692	3 142 692	3 142 692	–	3 056 781	3 209 620	3 370 101	
Agricultural			–	–	–	–	–	–		–	–	–	
Biological			–	–	–	–	–	–		–	–	–	
Intangible			1	1	1 279	2	2	2		1 343	1 410	1 481	
Other non-current assets			–	–	–	–	–	–		–	–	–	
Total non current assets			3 223 334	3 036 353	2 983 861	3 187 345	3 187 345	3 187 345	–	3 133 054	3 289 707	3 454 193	
TOTAL ASSETS			3 550 137	3 592 736	3 553 559	4 121 620	4 121 620	4 121 620	–	3 816 148	4 006 955	4 207 303	
LIABILITIES													
Current liabilities													
Bank overdraft	1		47 770	–	–	–	–	–		–	–	–	
Borrowing	4		–	–	–	–	–	–	–	–	–	–	
Consumer deposits			11 733	11 721	11 732	12 307	12 307	12 307		12 319	12 935	13 582	
Trade and other payables	4		592 845	1 137 278	1 652 698	880 000	880 000	880 000	–	630 000	661 500	694 575	
Provisions			–	–	–	–	–	–		–	–	–	
Total current liabilities			652 347	1 148 999	1 664 430	892 307	892 307	892 307	–	642 319	674 435	708 157	
Non current liabilities													
Borrowing			13 762	9 872	7 123	8 000	4 500	4 500	–	5 000	3 000	2 000	
Provisions			48 519	44 110	71 076	46 316	46 316	46 316	–	74 630	78 362	82 280	
Total non current liabilities			62 281	53 982	78 200	54 316	50 816	50 816	–	79 630	81 362	84 280	
TOTAL LIABILITIES			714 628	1 202 982	1 742 630	946 623	943 123	943 123	–	721 949	755 797	792 437	
NET ASSETS			5	2 835 509	2 389 754	1 810 929	3 174 997	3 178 497	3 178 497	–	3 094 198	3 251 158	3 414 866
COMMUNITY WEALTH/EQUITY													
Accumulated Surplus/(Deficit)			2 835 509	2 389 754	1 810 929	3 174 997	3 178 497	3 178 497		3 094 198	3 251 158	3 414 866	
Reserves	4		–	–	–	–	–	–	–	–	–	–	
TOTAL COMMUNITY WEALTH/EQUITY			5	2 835 509	2 389 754	1 810 929	3 174 997	3 178 497	3 178 497	–	3 094 198	3 251 158	3 414 866

Explanatory notes to Table A6 - Budgeted Financial Position

- The budgeted Statement of Financial Position of the Municipality has been prepared on a basis consistent with GRAP 1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years, to enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.
- The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash and an extensive table of notes (MBRR Table SA3 which can be found on page 96) are provided with details of the major components of items such as:
 - ☐ Call Investment Deposits
 - ☐ Consumer Debtors
 - ☐ Property, Plant and Equipment
 - ☐ Trade and Other Payables
 - ☐ Non-Current Provisions



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- ☐ Changes in Net Assets
- ☐ Reserves

3. Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the Municipality and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.

TABLE 26

FS194 Maluti-a-Phofung - Table A7 Budgeted Cash Flows

2014/15 Multi-Pass Reporting - Table A: Budgeted Cash Flows											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		57 165	120 001	208 270	207 596	207 596	207 596		207 596	217 976	228 875
Service charges		202 476	367 771	294 378	710 780	708 018	708 018		712 889	737 529	755 213
Other revenue		6 594	279 219	160 290	46 505	29 553	29 553		36 946	38 793	40 733
Government - operating	1	362 667	403 189	454 043	459 907	455 266	455 266		494 426	519 147	545 105
Government - capital	1	282 040	206 474	187 265	185 520	182 520	182 520		209 501	238 873	247 717
Interest		2 805	1 116	26 962	28 900	32 900	32 900		34 700	36 435	38 257
Dividends						-	-		-	-	-
Payments											
Suppliers and employees		(621 194)	(1 327 906)	(1 116 728)	(1 154 242)	(1 115 833)	(1 115 833)		(1 165 917)	(1 224 213)	(1 268 886)
Finance charges		(5 769)	(4 468)	(4 479)	-	-	-		(5 000)	(5 250)	(5 513)
Transfers and Grants	1	-	-	-	(105 000)	(109 000)	(109 000)		(115 540)	(121 317)	(127 383)
NET CASH FROM/(USED) OPERATING ACTIVITIES		286 783	45 395	210 001	379 966	391 020	391 020	-	409 601	437 973	454 117
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		5 351	2 350	7 756	6 000	-	-		-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-		-	-	-
Decrease (increase) other non-current receivables		8 977	8 236	(1 631)	-	-	-		-	-	-
Decrease (increase) in non-current investments		-	(150)	(84)	-	-	-		-	-	-
Payments											
Capital assets		(310 341)	(1 688)	(206 867)	(257 920)	(266 520)	(266 520)		(289 601)	(311 973)	(321 817)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(296 013)	8 748	(200 825)	(251 920)	(266 520)	(266 520)	-	(289 601)	(311 973)	(321 817)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(2 321)	(3 545)	(3 057)	(6 000)	(4 500)	(4 500)		-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2 321)	(3 545)	(3 057)	(6 000)	(4 500)	(4 500)	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(11 551)	50 599	6 119	122 046	120 000	120 000	-	120 000	126 000	132 300
Cash/cash equivalents at the year begin:	2	(32 319)	(43 870)	6 729	3 000	2 841	2 841		8 290	128 290	254 290
Cash/cash equivalents at the year end:	2	(43 870)	6 729	12 847	125 046	122 841	122 841	-	128 290	254 290	386 590

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

- The table shows the cash and cash equivalents of the Municipality during the 2017/18 to 2019/20 MTREF.
- The Municipality has embarked on an extensive debt collection process to boost cash levels it has appointed debt collectors and exercising strict credit control even to households to improve their collections. These initiatives and interventions with Provincial government, might translate the municipality into a positive cash position.
- For the 2017/18 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term, with cash levels anticipated to be R128 million by 2017/18 and steadily increasing to R386.5 million by 2019/20.

TABLE 27

FS194 Maluti-a-Phofung - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	(43 870)	6 729	12 847	125 046	122 841	122 841	-	128 290	254 290	386 590
Other current investments > 90 days		(0)	(0)	(4 952)	(117 981)	(115 776)	(115 776)	-	(120 000)	(245 585)	(377 450)
Non current assets - Investments	1	636	787	455	-	-	-	-	477	501	526
Cash and investments available:		(43 234)	7 515	8 350	7 065	7 065	7 065	-	8 768	9 206	9 666
Application of cash and investments											
Unspent conditional transfers		2 481	1 787	2 854	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	505 043	708 435	1 113 706	(15 547)	(15 437)	(15 437)	-	(22 889)	(23 790)	(24 542)
Other provisions											
Long term investments committed	4	710	361	2 560	2 511	2 636	2 636	-	2 688	2 823	2 964
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		508 234	710 583	1 119 120	(13 036)	(12 801)	(12 801)	-	(20 201)	(20 967)	(21 578)
Surplus(shortfall)		(551 468)	(703 067)	(1 110 770)	20 101	19 866	19 866	-	28 968	30 173	31 244

Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded"
4. From the table it can be seen that for the Municipality experienced a shortfall net cash flow position for the period 2013/14 to 2015/16 but it starts to be positive from 2016/2017 to 2019/2020.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF, the end objective of the medium-term framework was to ensure the budget is funded and aligned to section 18 of the MFMA.
6. As can be seen, the budget has been modelled to progressively move from a surplus of R28.9 million in 2017/18, R30.1 million in 2018/19 and R31.2 million in 2019/20.



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TABLE 28

FS194 Maluti-a-Phofung - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	300 031	246 288	194 785	233 112	249 902	249 902	260 633	289 052	297 749
Roads Infrastructure		91 781	28 448	39 204	86 782	96 676	96 676	72 579	95 286	98 801
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		34 539	37 606	25 247	6 048	10 669	10 669	28 600	33 900	34 295
Water Supply Infrastructure		74 147	73 648	40 960	50 168	44 999	44 999	42 863	58 520	59 346
Sanitation Infrastructure		69 711	60 917	20 439	17 391	22 142	22 142	46 292	47 278	49 142
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		9 798	4 955	8 380	13 744	10 744	10 744	8 342	8 844	9 286
Infrastructure		279 976	205 573	134 230	174 133	185 229	185 229	198 675	243 828	250 869
Community Facilities		7 116	15 744	27 398	30 294	30 384	30 384	41 387	32 747	33 335
Sport and Recreation Facilities		10 707	19 557	26 914	16 285	22 525	22 525	10 471	1 376	1 445
Community Assets		17 823	35 300	54 312	46 579	52 910	52 910	51 857	34 124	34 780
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		—	—	3 000	3 000	3 000	3 000	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Other Assets		—	—	3 000	3 000	3 000	3 000	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—
Computer Equipment		1 752	673	1 913	3 300	2 050	2 050	1 500	1 500	1 500
Furniture and Office Equipment		—	—	—	1 100	1 450	1 450	1 600	1 600	1 600
Machinery and Equipment		480	808	830	5 000	5 263	5 263	7 000	8 000	9 000
Transport Assets		—	3 913	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Total Renewal of Existing Assets	2	10 309	3 497	12 082	24 808	16 618	16 618	28 968	22 921	24 067
Roads Infrastructure		—	—	—	—	—	—	—	—	—
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	12 082	4 000	3 906	3 906	—	—	—
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		—	—	12 082	4 000	3 906	3 906	—	—	—
Community Facilities		3 920	1 932	—	2 300	—	—	12 566	18 434	19 355
Sport and Recreation Facilities		—	—	—	—	—	—	16 402	4 488	4 712
Community Assets		3 920	1 932	—	20 808	12 711	12 711	28 968	22 921	24 067
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		6 389	1 565	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Other Assets		6 389	1 565	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
Machinery and Equipment		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Total Upgrading of Existing Assets	6	—	—	—	—	—	—	—	—	—
Roads Infrastructure		—	—	—	—	—	—	—	—	—
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		—	—	—	—	—	—	—	—	—
Community Facilities		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Community Assets		—	—	—	—	—	—	—	—	—
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Other Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
Machinery and Equipment		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Total Capital Expenditure	4	310 341	249 765	206 867	257 920	266 520	266 520	289 601	311 973	321 817
Roads Infrastructure		91 781	28 448	39 204	86 782	96 676	96 676	72 579	95 286	98 801
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		34 539	37 606	37 330	10 048	14 576	14 576	28 600	33 900	34 295
Water Supply Infrastructure		74 147	73 648	40 960	50 168	44 999	44 999	42 863	58 520	59 346
Sanitation Infrastructure		69 711	60 917	20 439	17 391	22 142	22 142	46 292	47 278	49 142
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		9 798	4 955	8 380	13 744	10 744	10 744	8 342	8 844	9 286
Infrastructure		279 976	205 573	146 312	178 133	189 136	189 136	198 675	243 828	250 869
Community Facilities		11 036	17 676	27 398	32 594	30 384	30 384	53 953	51 181	52 690
Sport and Recreation Facilities		10 707	19 557	26 914	34 793	35 237	35 237	26 873	5 864	6 157
Community Assets		21 743	37 233	54 312	67 387	65 621	65 621	80 826	57 045	58 847
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		6 389	1 565	3 000	3 000	3 000	3 000	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Other Assets		6 389	1 565	3 000	3 000	3 000	3 000	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—
Computer Equipment		1 752	673	1 913	3 300	2 050	2 050	1 500	1 500	1 500
Furniture and Office Equipment		—	—	—	1 100	1 450	1 450	1 600	1 600	1 600
Machinery and Equipment		480	808	830	5 000	5 263	5 263	7 000	8 000	9 000
Transport Assets		—	3 913	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class		310 341	249 765	206 867	257 920	266 520	266 520	289 601	311 973	321 817



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ASSET REGISTER SUMMARY - PPE (WDV)		5									
Roads Infrastructure			510 756	241 461	683 175	253 534	253 534	253 534	717 334	753 200	790 860
Storm water Infrastructure											
Electrical Infrastructure			396 832	435 340	458 645	457 107	457 107	457 107	481 577	505 656	530 939
Water Supply Infrastructure			328 556	405 989	432 221	426 288	426 288	426 288	453 832	476 524	500 350
Sanitation Infrastructure			89 237	159 841	191 659	167 833	167 833	167 833	201 242	211 304	221 870
Solid Waste Infrastructure			6 180	118 855	6 489	124 797	124 797	124 797	6 813	7 154	7 512
Rail Infrastructure											
Coastal Infrastructure											
Information and Communication Infrastructure											
Infrastructure			1 331 562	1 361 484	1 772 190	1 429 558	1 429 558	1 429 558	1 860 799	1 953 839	2 051 531
Community Facilities			310 369	309 436	102 922	324 908	324 908	324 908	108 068	113 471	119 145
Sport and Recreation Facilities											
Community Assets			310 369	309 436	102 922	324 908	324 908	324 908	108 068	113 471	119 145
Heritage Assets											
Revenue Generating											
Non-revenue Generating			42 520	42 163	68 347	44 271	44 271	44 271	71 765	75 353	79 120
Investment properties			42 520	42 163	68 347	44 271	44 271	44 271	71 765	75 353	79 120
Operational Buildings			1 185 755	1 322 120	1 036 109	1 388 226	1 388 226	1 388 226	1 087 914	1 142 310	1 199 425
Housing					-						
Other Assets			1 185 755	1 322 120	1 036 109	1 388 226	1 388 226	1 388 226	1 087 914	1 142 310	1 199 425
Biological or Cultivated Assets											
Servitudes											
Licences and Rights											
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			1	1	1 279	2	2	2	1 343	1 410	1 481
Furniture and Office Equipment											
Machinery and Equipment											
Transport Assets											
Libraries											
Zoo's, Marine and Non-biological Animals											
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	2 870 207	3 035 205	2 980 846	3 186 965	3 186 965	3 186 965	3 129 888	3 286 383	3 450 702
EXPENDITURE OTHER ITEMS											
Depreciation		7	215 649	186 121	278 694	50 000	50 000	50 000	50 000	52 500	55 125
Repairs and Maintenance by Asset Class		3	72 185	446 129	97 751	65 970	106 340	106 340	82 230	86 342	90 659
Roads Infrastructure			32 813	61 801	65 000	12 000	40 000	40 000	30 000	31 500	33 075
Storm water Infrastructure			-	-	2 000	5 000	7 000	7 000	5 000	5 250	5 513
Electrical Infrastructure			16 317	28 176	42 500	38 000	41 000	41 000	30 300	31 815	33 406
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	5 000	5 000	5 000	5 250	5 513
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			378	352 013	-	-	-	-	-	-	-
Infrastructure			49 509	441 990	109 500	55 000	93 000	93 000	70 300	73 815	77 506
Community Facilities			-	181	2 580	1 370	1 300	1 300	1 000	1 050	1 103
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-
Community Assets			-	181	2 580	1 370	1 300	1 300	1 000	1 050	1 103
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			18 476	1 109	(20 559)	5 330	5 300	5 300	3 000	3 150	3 308
Housing			-	-	-	-	-	-	-	-	-
Other Assets			18 476	1 109	(20 559)	5 330	5 300	5 300	3 000	3 150	3 308
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			155	99	200	1 240	690	690	2 000	2 100	2 205
Furniture and Office Equipment			-	-	350	430	1 100	1 100	300	315	331
Machinery and Equipment			337	47	-	600	950	950	800	840	882
Transport Assets			3 709	2 703	5 680	2 000	4 000	4 000	4 830	5 072	5 325
Libraries			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS			287 834	632 250	376 446	115 970	156 340	156 340	132 230	138 842	145 784



Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. At this stage spending on repairs and maintenance cannot be reflected by asset class due to the misalignment of the existing asset classes with the plant maintenance asset classes on the financial system. To ensure compliance the Municipality will embark on an asset creation project which will be finalised over a couple of years.



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TABLE 29

FS194 Maluti-a-Phofung - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast
Household service targets	1						
Water:							
Piped water inside dwelling		85 420	85 488	85 488	85 488	85 488	85 488
Piped water inside yard (but not in dwelling)		10 881	10 890	10 890	10 890	10 890	10 890
Using public tap (at least min.service level)	2	—	—	—	—	—	—
Other water supply (at least min.service level)	4	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		96 301	96 378	96 378	96 378	96 378	96 378
Using public tap (< min.service level)	3	—	—	—	—	—	—
Other water supply (< min.service level)	4	3 927	3 850	3 850	3 850	3 850	3 850
No water supply		—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		3 927	3 850	3 850	3 850	3 850	3 850
Total number of households	5	100 228	100 228	100 228	100 228	100 228	100 228
Sanitation/sewerage:							
Flush toilet (connected to sewerage)		32 941	35 642	35 642	35 642	35 642	35 642
Flush toilet (with septic tank)		2 607	2 633	2 633	2 633	2 633	2 633
Chemical toilet		3 195	2 099	2 099	2 099	2 099	2 099
Pit toilet (ventilated)		17 424	21 900	21 900	21 900	21 900	21 900
Other toilet provisions (> min.service level)		38 949	33 600	33 600	33 600	33 600	33 600
<i>Minimum Service Level and Above sub-total</i>		95 116	95 874	95 874	95 874	95 874	95 874
Bucket toilet		715	—	—	—	—	—
Other toilet provisions (< min.service level)		2 133	2 154	2 154	2 154	2 154	2 154
No toilet provisions		2 264	2 200	2 200	2 200	2 200	2 200
<i>Below Minimum Service Level sub-total</i>		5 112	4 354	4 354	4 354	4 354	4 354
Total number of households	5	100 228	100 228	100 228	100 228	100 228	100 228
Energy:							
Electricity (at least min.service level)		52 500	55 125	57 881	57 881	57 881	60 775
Electricity - prepaid (min.service level)		—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		52 500	55 125	57 881	57 881	57 881	60 775
Electricity (< min.service level)		—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—
Other energy sources		47 728	45 103	42 347	42 347	42 347	39 453
<i>Below Minimum Service Level sub-total</i>		47 728	45 103	42 347	42 347	42 347	39 453
Total number of households	5	100 228	100 228	100 228	100 228	100 228	100 228
Refuse:							
Removed at least once a week		26 567	26 833	26 833	26 833	26 833	26 833
<i>Minimum Service Level and Above sub-total</i>		26 567	26 833	26 833	26 833	26 833	26 833
Removed less frequently than once a week		491	496	496	496	496	496
Using communal refuse dump		5 224	5 276	5 276	5 276	5 276	5 276
Using own refuse dump		54 061	54 602	54 602	54 602	54 602	54 602
Other rubbish disposal		5 576	5 632	5 632	5 632	5 632	5 632
No rubbish disposal		8 309	7 390	7 390	7 390	7 390	7 390
<i>Below Minimum Service Level sub-total</i>		73 661	73 396	73 396	73 396	73 396	73 396
Total number of households	5	100 228	100 228	100 228	100 228	100 228	100 228
Households receiving Free Basic Service	7						
Water (6 kilolitres per household per month)		6 847	5 706	36 955	36 955	36 955	36 955
Sanitation (free minimum level service)		6 847	5 706	5 594	5 594	5 594	5 594
Electricity/other energy (50kwh per household per month)		100 228	100 228	70 228	25 295	25 295	25 295
Refuse (removed at least once a week)		6 847	5 706	5 594	5 594	5 594	5 594
Cost of Free Basic Services provided - Formal Settlements (R'000)	8						
Water (6 kilolitres per indigent household per month)		3 183	2 798	20 222	20 222	10 000	10 000
Sanitation (free sanitation service to indigent households)		5 618	4 916	5 108	7 183	7 183	7 183
Electricity/other energy (50kwh per indigent household per month)		45 048	45 048	15 177	15 177	8 000	8 000
Refuse (removed once a week for indigent households)		5 902	5 164	5 366	5 672	5 672	5 672
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		—	—	—	—	—	—
Total cost of FBS provided		59 751	57 927	45 873	48 254	30 855	30 855
Highest level of free service provided per household							
Property rates (R value threshold)		65 000	80 000	80 000	80 000	80 000	80 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		—	—	—	—	—	—
Sanitation (Rand per household per month)	68	72	101	107	107	107	107
Electricity (kwh per household per month)	50	50	50	50	50	50	50
Refuse (average litres per week)	100	100	100	106	106	106	106
Revenue cost of subsidised services provided (R'000)	9						
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)							
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		616 242	715 927	3 444 860	2 697 827	2 852 700	2 852 700
Water (in excess of 6 kilolitres per indigent household per month)		—	—	—	—	—	—
Sanitation (in excess of free sanitation service to indigent households)		—	—	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household per month)		—	—	—	—	—	—
Refuse (in excess of one removal a week for indigent households)		—	—	—	—	—	—
Municipal Housing - rental rebates		—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—
Other		—	—	—	—	—	—
Total revenue cost of subsidised services provided	6	616 242	715 927	3 444 860	2 697 827	2 852 700	2 852 700

Explanatory notes to Table A10 – Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality is persistently striving to eradicate backlogs

PART 2: SUPPORTING DOCUMENTS

2.1 Overview of annual budget process

The MFMA requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of a budget. The new National Treasury Budget Regulations gives further effect to this by prescribing that the mayor of a municipality must establish a budget steering committee to assist in discharging the mayor's budget preparation responsibilities.

The Budget Steering Committee was established consisting of the following:

- The Executive Mayor
- MMCs
- Chief Financial Officer
- Municipal Manager
- Directors
- Managers

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in ten months before the start of the new financial year (i.e. in August 2016) a time schedule that sets out the process to revise the IDP and prepare the budget.

The IDP and Budget time schedule of the 2017/18 budget cycle was approved by Council on 30th of August 2016, 10 months before the start of the budget year in compliance with legislative directives. The Process Plan set the framework for further engagements with various stakeholders to ensure adoption of the 2017/18 IDP and Budget by the end of May 2017.

In line with the above requirements, the budget process for the 2017/18 MTREF period proceeded according to the following timeline:

January 2017: IDP road shows

19 January 2017: The council considered the 2016/17 Mid-year Performance Assessment Review

26 February 2017: The council approved the 2016/17 Adjustment Budget

30 March 2017: The Draft Budget for 2017/18 MTREF and Draft IDP for 2017/18 will be tabled Council for public consultation

04 April – 31 April 2017: Budget Road shows will take place as shown on the Time Schedule in **Annexure 6**

May 2017 – Benchmarking process between the municipality and Provincial treasury



May 2017: Finalisation of the 2017/18 MTREF Budget by the budget steering committee taking into consideration comments received from the public and other stakeholders.

31 May 2017: Tabling of the 2017/18 MTREF Budget and IDP to Council for consideration and approval

June 2017: Notifying the public of the approved 2017/18 IDP and Budget

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is a principal strategic planning instrument, which guides and informs its on-going planning, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Engaging communities'/ward forums and sector organisations in obtaining their needs
- Compilation of departmental business plans including key performance indicators and targets
- Public participation process
- Compilation of the SDBIP
- The review of the performance management and monitoring processes
- Address community inputs and response to public inputs by line departments
- Tabling of draft IDP and Budget to Council

2.1.3 Financial Modelling and Key Planning Drivers

The municipality's MTREF model is annually reviewed to determine the most affordable level at which the municipality will be able to operate optimally. It sets out the economic context and assumptions that inform the compilation of the next three year's budget, in addition, sustainability forms the basis of the preparation of the operating and capital budgets.

The following key factors and planning strategies have informed the compilation of the 2017/18 MTREF:

- Credible collection rates based on the collection achievements to date, incorporating improved anticipated for selected revenue items
- The assumption of a 100% capital expenditure implementation rate
- The need for tariff increases versus the ability of the community to pay for services
- Cash flow management strategy

2.1.4 Community Consultation

In accordance with the MFMA, the Municipal Systems Act (Act 32 of 2000) the 2017/18 MTREF and its accompanying documentation will be made public in the local newspaper and municipal website for public knowledge after it is tabled before



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Council on the 30 March 2017. The documents will be published on the municipal website and hard copies will be made available at Libraries and Municipal Building. In addition, as legislated, the tabled budget documentation will be submitted in print and electronic formats to both Provincial and National treasuries after the budget was tabled before Council.

Ward councillors and ward committees will be utilised to facilitate the community consultation process during the Budget road shows. The dates and venues will be published on the local newspaper to invite the community and other stakeholder to participate and provide inputs for the 2017/18 Budget. Individual sessions are scheduled with Traditional Leaders, Business forums and non-profit organisations

The Budget Benchmarking Assessment between the Provincial Treasury and Municipality will take place during April after the Draft Budget is tabled to Council. The inputs received during the community consultation process will be addressed and will be considered as part of the finalisation of 2017/18 MTREF.

2.2 Overview of alignment of annual budget with Integrated Development Plan

2.2.1 Municipality aligned to National, Provincial and District Alignment

Maluti-A-Phofung development needs to be aligned with the National Provincial and District initiatives to ensure optimal impact from the combined efforts of all tiers of Government. In this regard their five critical elements:

- Efficient and effective public services (Deliver more and better services in a caring and efficient manner)
- Municipalities' role in employment creation
- Shift resources to new priorities
- Move from debate to effective implementation and decisive action and
- Work in partnership with communities, labour and business to achieve our shared objectives

2.2.2 Key demographic, economic and other assumptions

1. Demographic and economic

The Maluti-A-Phofung area covers the greater Harrismith, Kestell Intabazwe and Phuthaditjhaba. The municipality of 35 wards and covers approximately 4 421 km² in extent. Phuthaditjhaba is urban Centre of Qwaqwa and serves as the administrative head offices of Maluti-A-Phofung Municipality, surrounding Phuthaditjhaba are rural villages of Qwaqwa established on tribal land administered by land affairs. Harrismith is a service centre for the surrounding rural areas and a trading belt serving the passing N3 which links the Gauteng and KwaZulu Natal provinces. Harrismith is surrounded by Tshame located 12 km to the west and Intabazwe, which is located 1,5 km to the north. The town is an employment center for people living in Tshame, Intabazwe and Qwaqwa.



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Kestell is a service center for surrounding agricultural oriented rural area with Thlolong as the Township. Kestell is situated along the N5 road that links Harrismith with Bethlehem. The rural areas of Maluti-A-Phofung comprise commercial farms and major nature conservation centre such as Qwaqwa National Park, Platberg, Sterkfontein Dam and the Maluti Mountain Range. The area is not only tourism attraction, but also make a big contribution in generating gross agricultural income for the whole of the Province.

The National Treasury has continuously advised municipalities in previous budget circulars on financial management issues to be considered when compiling budgets. The 2017/18 MTREF budget assessment will critically consider the following:

- ☐ Cost reflective tariffs;
- ☐ Appropriateness of budget assumptions;
- ☐ Provision for asset renewal and maintenance;
- ☐ Credibility and level of funding of the budget (funded or not funded); and
- ☐ Alignment of the budgets to municipality's plans.

Therefore, municipalities must ensure that their 2017/18 MTREF addresses the items listed above and further submit the methodology applied in setting tariffs when submitting budget documentation to the National Treasury in terms of the MFMA.



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Developmental Objectives and Priorities on the IDP

Following an extensive and interactive consultation processes between the elected leaders, municipal administration, communities and stakeholders the municipality has agreed to the following developmental priorities that should be achieved in the next five years. These development priorities are steeped within the overall cluster system of government.

SUSTAINABLE INFRASTRUCTURE AND SERVICES	ECONOMIC DEVELOPMENT AND JOB CREATION
Water Sanitation Electricity Waste management Roads, streets, storm-water Housing Cemeteries Land development	Agricultural development Tourism development Land reform Industrial development Skills development SMME development
SOCIAL DEVELOPMENT AND COMMUNITY SERVICES	GOOD GOVERNANCE AND PUBLIC PARTICIPATION
Health services Environmental management Education and training Parks , Sports and recreation services Library services Transport	Increased revenue base from rates and taxes Corporate governance Institutional transformation Community-based planning
PUBLIC SAFETY	
Disaster Management Safety and Security Traffic Control Emergency services	



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TABLE 30

FS194 Maluti-a-Phofung - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

S 194 mauntra-phoring - Supporting Table SA4 Reconciliation of IDP Strategic Objectives and Budget (Revenue)													
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand				61 987	71 289	42 927	73 882	73 882	73 882	78 315	82 231	86 342	
Sustainable Infrastructure and Services	Water- to ensure that residents have access to portable water and; to account and manage water distribution												
Sustainable Infrastructure and Services	Electricity - to manage the restructuring of electricity distribution effectively			104 202	248 774	278 034	571 893	564 173	564 173	561 532	578 603	588 341	
Sustainable Infrastructure and Services	Waste water management- to provide basic level of sanitation to all residents			31 329	49 226	54 593	39 224	39 224	39 224	41 577	43 656	45 839	
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and management of landfill sites			21 688	27 700	32 826	32 860	32 860	32 860	34 832	36 573	38 402	
Sustainable Infrastructure and Services	Community Services- to raise awareness with the community on social problems occurring in their specific wards and services rendered			47	55	150	173	230	230	-	-	-	
Sustainable Infrastructure and Services	Roads, Streets , storm-water- to increase the safety and access to roads												
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries					400	500	500	500	525	551	579	
Sustainable Infrastructure and Services	Housing- to promote rental housing stock and ensure generally attractive housing stock					385	3 980	550	550	1 900	1 995	2 095	
Sustainable Infrastructure and Services	Land Development- to develop and review the local human settlements development plan; to maintain and upgrade municipal properties			434	602	390	3 626	353	353	3 197	3 357	3 525	
Good Governance and public participation (operations and support)	Increased revenue based from rates and taxes/Finance- to ensure proper budgetary processes and related matters are adhered to. To manage expenditure in accordance with the budget.			895 673	1 189 435	919 148	900 895	703 412	703 412	746 972	784 321	823 537	
Good Governance and public participation	Corporate governance/services- to establish and maintain a well-qualified and competent personnel			318	913	631	1 000	612	612	500	525	551	
Good Governance and public participation	Community based planning- to ensure long-term planning and knowledge management and efficient coordination of service delivery				1		10	182 520	182 520	209 501	238 873	247 717	
Good Governance and public participation	Legislative Authority - to ensure effective coordination of governance processes and compliance to legislative requirements.												
Good Governance and public participation	Office of the Municipal Manager- to ensure proper coordination and management of IDP and performance review												
Economic Development and Job Creation	Agricultural, land, industrial, skills, SMME development- to expand the agricultural sector												
Economic Development and Job Creation	Local Economic Development- to expand the tourism sector					2 290	5 000	8 370	8 370	5 580	5 859	6 152	
Economic Development and Job Creation	SMME development- to strengthen institutional capacity of SMMEs and increase the number of viable emerging businesses												
Social Development and community services	Parks,Sports & Recreation- to increase access o recreational facilities and promote arts and culture in MAP			1 186	540	893	1 010	412	412	437	459	481	
Social Development and community services	Education and training- to develop social networks for older people; to ensure that the community has access to												
Social Development and community services	Library services			25	1 720	2 232	2 047	2 093	2 093	2 198	2 308	2 423	
Public Safety	Emergency services/Fire - to improve response-time and efficiency of the Emergency services			371	274	165	252	312	312	563	591	620	
Public Safety	Traffic Control- to improve the payment of traffic fines			2 277	1 691	1 613	6 860	6 351	6 351	8 430	8 852	9 295	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	1 119 534	1 592 221	1 336 678	1 643 212	1 615 853	1 615 853	1 696 058	1 788 753	1 855 898



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TABLE 31

FS194 Maluti-a-Phofung - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Supporting Table 5.3: Reconciliation of the Strategic Objectives and Budget (Operating Expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand													
Sustainable Infrastructure and Services	Electricity- to manage the restructuring of electricity distribution effectively			396 167	986 480	892 059	496 845	367 780	367 780	439 006	460 956	484 004	
Sustainable Infrastructure and Services	Waste water management- to provide basic level of sanitation to all residents												
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and management of landfill sites			42 962	48 464	46 863	44 698	46 563	46 563	49 005	51 455	54 028	
Sustainable Infrastructure and Services	Community Services- to raise awareness with the community on social problems occurring in their specific wards and services rendered			3 834	3 037	4 490	6 193	4 872	4 872	4 969	5 217	5 478	
Sustainable Infrastructure and Services	Roads, Streets , storm-water- to increase the safety and access to roads			17 964	51 545	58 544	36 521	73 719	73 719	63 239	66 401	69 721	
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries					3 942	3 268	5 780	5 780	6 175	6 484	6 808	
Sustainable Infrastructure and Services	Housing- to promote rental housing stock and ensure generally attractive housing stock			8 974	7 337	12 737	14 621	13 314	13 314	11 638	12 220	12 831	
Sustainable Infrastructure and Services	Land Development- to develop and review the local human settlements development plan; to maintain and upgrade municipal properties			7 893	7 490	10 244	22 400	19 978	19 978	31 340	32 907	32 898	
Good Governance and public participation	Increased revenue based from rates and taxes/Finance- to ensure proper budgetary processes and related matters are adhered to. To manage expenditure in accordance with the budget.			641 925	476 515	787 695	349 041	372 617	372 617	371 609	390 190	409 699	
Good Governance and public participation	Corporate governance/services- to establish and maintain a well-qualified and competent personnel			28 389	40 816	53 492	54 839	90 347	90 347	69 163	72 622	76 253	
Good Governance and public participation	Community based planning- to ensure long-term planning and knowledge management and efficient coordination of service delivery			78 101	252 834	9 822	5 604	7 225	7 225	6 987	7 336	7 703	
Good Governance and public participation	Legislative Authority - to ensure effective coordination of governance processes and compliance to legislative requirements.			38 514	49 767	119 777	122 616	126 637	126 637	113 984	119 683	125 667	
Good Governance and public participation	Office of the Municipal Manager- to ensure proper coordination and management of IDP and performance review			28 311	10 362	26 908	52 736	38 804	38 804	45 538	47 815	39 180	
Economic Development and Job Creation	Agricultural, land, industrial, skills, SMME development- to expand the agricultural sector					3 500	4 448	9 400	9 400	4 071	4 275	4 488	
Economic Development and Job Creation	Local Economic Development- to expand the tourism sector			6 204	2 049	9 302	12 012	13 865	13 865	18 972	19 921	17 058	
Social Development and community services	Parks, Sports & Recreation- to increase access o recreational facilities and promote arts and culture in MAP			35 651	35 097	39 015	51 373	44 304	44 304	49 697	52 181	54 791	
Social Development and community services	Library services			3 449	3 341	3 316	3 839	3 890	3 890	4 125	4 331	4 548	
Public Safety	Public Safety - to ensure the safety of all persons and increase awareness around public safety			14 454	1 393	43 317	42 769	52 023	52 023	29 706	31 191	32 750	
Public Safety	Emergency services/Fire - to improve response-time and efficiency of the Emergency services			17 334	21 276	22 290	21 223	25 070	25 070	26 980	28 329	29 746	
Public Safety	Disaster Management- to improve disaster management capacity at the municipality			—	—	3 000	10 435	10 000	10 000	5 000	5 250	5 513	
Public Safety	Safety and Security - to create a safe and secure environment			—	—	—	—	—	—	30 365	31 883	33 477	
Public Safety	Traffic Control- to improve the payment of traffic fines			10 841	40 172	14 781	29 812	23 146	23 146	24 888	26 133	27 439	
Allocations to other priorities													
Total Expenditure				1	1 380 967	2 037 976	2 165 093	1 385 292	1 349 333	1 349 333	1 406 457	1 476 780	1 534 081



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TABLE 32

FS194 Maluti-a-Phofung - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand													
Sustainable Infrastructure and Services	Water- to ensure that residents have access to portable water and; to account and manage water distribution	A		74 147	73 648	40 960	50 168	44 999	44 999	42 863	58 520	59 346	
Sustainable Infrastructure and Services	Electricity - to manage the restructuring of electricity distribution effectively	B		34 539	37 606	37 329	10 048	14 576	14 576	28 600	33 900	34 295	
Sustainable Infrastructure and Services	Waste water management- to provide basic level of sanitation to all residents	C		69 711	60 917	20 439	17 391	22 142	22 142	46 292	47 278	49 142	
Sustainable Infrastructure and Services	Community Services- to raise awareness with the community on social problems occurring in their specific wards and services rendered	E		11 036	17 676	20 524	9 950	7 650	7 650	32 703	30 181	31 690	
Sustainable Infrastructure and Services	Roads, Streets , storm-water- to increase the safety and access to roads	F		91 781	28 448	39 204	86 782	101 939	101 939	72 579	95 286	98 801	
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries	G		–		6 874	2 644	4 734	4 734	1 250			
Sustainable Infrastructure and Services	Land Development- to develop and review the local human settlements development plan; to maintain and upgrade municipal properties	I		6 389	1 565								
Good Governance and public participation	Increased revenue based from rates and taxes/Finance- to ensure proper budgetary processes and related matters are adhered to. To manage expenditure in accordance with the budget.	J		1 752	808	500							
Good Governance and public participation	Corporate governance/services- to establish and maintain a well-qualified and competent personnel	K					500	500	500	600	600	600	
Good Governance and public participation	Community based planning- to ensure long-term planning and knowledge management and efficient coordination of service delivery	L		9 798	4 955	8 380	13 744	10 744	10 744	8 342	8 844	9 286	
Good Governance and public participation	Office of the Muncipal Manager- to ensure proper coordination and management of IDP and performance review	N		480	673	4 900	6 100	4 950	4 950	9 500	10 500	11 500	
Economic Development and Job Creation	SMME development- to strengthen institutional capacity of SMMEs and increase the number of viable emerging businesses	Q					18 000	18 000	18 000	20 000	21 000	21 000	
Social Development and community services	Parks, Sports & Recreation- to increase access o recreational facilities and promote arts and culture in MAP	R		10 707	19 557	26 914	34 793	35 237	35 237	26 873	5 864	6 157	
Public Safety	Public Safety - to ensure the safety of all persons and increase awareness around public safety	V			3 913	843	7 800	1 050	1 050	–	–	–	
		P											
Allocations to other priorities				3									
Total Capital Expenditure				1	310 341	249 765	206 867	257 920	266 520	266 520	289 601	311 973	321 817

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance system of which system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budget, implementation and reporting stages.

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.



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TABLE 33

FS194 Maluti-a-Phofung - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
VOTE 1:OFFICE OF THE MUNICIPAL MANAGER										
Function1: IDP& PMS										
Sub-Function1:										
To ensure proper coordination and management of IDP and performance review	% of reviewed and completed IDP within prescribed legislative time frames.				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
To ensure effective coordination of governance processes and compliance to legislative requirements	% compliance to governance processes and legislative requirements				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
To encourage communities to participating in the activities of the municipality	No. of wards inclusive of stakeholders participated in IDP review				35	35	35	35	35	35
VOTE 2: CORPORATE SERVICES DIRECTORATE										
Function 1: Human Resources										
Sub-function 1: Safe keeping of record										
To ensure that the records are kept in a safe place	Number of cabinets procured by June 2018				6			6		
Sub-function 2 - Administration										
To render an effective & efficient record management systems to Council	Records Management Policy developed				1			1		
To administer the booking of Council buildings and halls	Number of bookings administered				300			300		
To provide Council,Mayoral and Portfolio Committees with administration support	Number of meetings held and supported				124			124		
To recruit competent employees in order for the municipal to achieve its IDP objectives	Number of competent of staff appointed				200			200		
Function 2 - Legal Matters										
To ensure that contracts that are entered into are legally correct and comply with relevant legislation	% of compliance on contracts entered into.				100%			100%		
To provide effective and efficient Customer Care Services	Customer Care Policy developed				1			1		
VOTE 3: FINANCIAL SERVICES										
Function 1:BUDGET										
Sub-function:Budget and Treasury Office										
To enhance revenue collection	Increase number of pay-points by 30 June 20218				2					
	Increase number of vending stations				100			1		
To ensure proper budgetary process and related matters are adhered to	No. of budget book to be submitted to council for approval 30 days before the start of the financial year				1	1	1	1	1	1
	No. of consultative meetings with stakeholders				1 each ward	1 each ward	1 each ward	1 each ward	1 each ward	1 each ward
Function 2:ASSETS										
Sub-function: Asset Management										
To ensure the safeguarding and proper recording of asset	No. of regular update of assets register				12	12	12	12	12	12
	No. of updates on loans and investments				12	12	12	12	12	12
Function 3: FINANCIAL ACCOUNTING										
Sub-function: Financial Matters										
To record and report on all financial matters	No. of AFS to be submitted to Auditor General by 31 August 2017				1	1	1	1	1	1
	Number of VAT Returns submitted to SARS				12	12	12	12	12	12
Function 4: EXPENDITURE										
Sub-function: Expenditure Management										
Manage expenditure in accordance with the budget	Quarterly reports on preparation of monthly creditors reconciliations				12	12	12	12	12	12
	Quarterly reports on compliance with Supply Chain Management Policy				4	4	4	4	4	4



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VOTE 4: MUNICIPAL INFRASTRUCTURE									
Function 1: Roads To accelerate the delivery of infrastructure services									
Sub-Function: Roads Construction									
<i>new roads to be constructed</i>	number of km				50			50	
<i>Intabazwe paving of road</i>	measured by kilo meters of road paved				50			50	
<i>Tshiame paving of roads</i>	Total % of construction in Phuthaditjhaba New Taxi Facility Phase 1				50			50	
<i>Namahadi</i>	Total km of paved roads constructed				12.5 km			12.5 km	
<i>Phuthaditjhaba</i>	Number of VIP toilets constructed				4358			4358	
<i>To improve waste removal services</i>	Implement a programme for the disposal of domestic waste and commercial services to industrial and business customer				50			50	
Sub-function:To increase awareness by educating communities about environmental issues and how to protect the environment									
<i>resurfacing</i>	number cleaning campaigns organized				30	30		30	
Function 5: WASTE WATER MANAGEMENT									
Sub-function:Sanitation									
<i>mandela park sanitation</i>	stands								
<i>phase 10-VIP toilets</i>	number of households								
<i>Phase 11- VIP toilets</i>	number of households								
<i>Phase 12- VIP toilets</i>	number of households								
Function 3: ELECTRICITY									
Sub-function: Connections									
<i>electricity connections</i>									
Sub-function: streetlights									
<i>High mast lights</i>	No of highmast lights installed								
<i>streetlights</i>	No of streetlights installed								
Function 4: WATER									
Sub-function:Water connections									
<i>To ensure that residents have access to portable water</i>									
<i>Phase 3A</i>	No. of ERF connected								
<i>Phase 3B</i>	No. of ERF connected				2940	2940	2940	2940	
<i>Phase 3C</i>	No. of ERF connected				3907	3907	3907	3907	
VOTE 5: COMMUNITY SERVICES									
Function 1: Social development									
Sub-function: Social Services									
<i>To reduce substance abuse through the local drug action committee</i>	Local Drug Action Plan in place				1			1	
	Awareness campaigns on substance abuse				15			15	
<i>To facilitate provision of social security services</i>	Number of pauper and indigent burials attended to				100.0%			100.0%	
	Number of pauper and indigent stakeholders meetings held				4			4	
<i>To improve people's life skills</i>	Number of life skills programs conducted				10			10	
<i>To ensure that community have access to relevant information</i>	Number of consignment received				100.0%			100.0%	
<i>To develop support networks for Older persons</i>	Local Older Persons Action Plan in place								
	Launch Local Older Persons Action plan				1			1	
<i>To raise awareness on the rights of woman, children and people living with disabilities</i>	Number of infor-sessions, workshops, training and awareness campaigns held								
	Number of national awareness days held				4			4	
<i>To develop policies and facilitate the implementation of departmental policies and operational plans with regards to gender, children and disability within the municipality</i>	Number of local policies formulated				2			2	
	Number of policies analysed				3			3	
	Number of presentations to line managers				3			3	
Function 2: Library Services									
Sub-function:Improve access to libraries									
<i>To improve access to libraries and functioning libraries</i>	Number outreach programs conducted				4			4	
<i>To contribute towards the improvement of education</i>	Number of learning material issued				12			12	
Function 3: Cemetery Services									
Sub-fuction: Cemeteries									
<i>To provide and maintain municipal cemeteries</i>	Number of graves provided				14			14	
	Electronic burial register in place				1			1	
<i>To establish new cemeteries</i>	Number of cemeteries established/ex tended				2			2	



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VOTE 6: PUBLIC SAFETY										
Function 1: Fire and disaster management										
To optimise income	Amount to be collected from traffic fines				6000000	6010000	6010000	8012000	8412600	8833230
To review Disaster Management Plan	Conduct consultative meetings.				1			1		
Function 2: Transport										
To improve municipal transport capacity	Conduct inspections on municipal vehicles				2			2		
	To facilitate in-service training to staff				20			20		
To operate and maintain municipal fleet	Verification of driver's licenses through e-natis.				150			150		
Function 3: Safety and security										
To comply with SANS requirements with regard to response time	Conduct fire safety inspection on buildings				200			200		
	Installation of radio communication				100%			100%		
	CCTV Cameras				15					
VOTE 7: SPORTS, RECREATION AND COMMUNITY FACILITIES										
Function 1: PARKS										
Sub-function1: To promote sports activities										
To develop new sporting codes	Number of parks developed with recreation equipment				8			8		
	Number of sporting codes developed				20			20		
	Number of Sports Federations introduced for different sporting codes				12			12		
	Number of tournaments and competitions organized				12			12		
Sub-function 2: To maintain sports and recreation facilities										
To provide new sports equipment	Number of maintenance programs developed for different sports facilities				7			7		
	Number of new sports equipment provided per sports codes				18			18		
To encourage communities to participate in the activities of the Municipality	Implement existing Public Participation Programme									
Sub-function 3: To develop sports facilities										
To develop and promote Arts and culture	Number of Sports and Recreation facilities developed				4			4		
	Number of Arts and Culture centers developed				2			2		
	Number of exhibitions and workshops conducted				40			40		
	Number of cultural festivals/cultural concerts conducted				25			25		
VOTE 8: LOCAL ECONOMIC DEVELOPMENT										
Function1: Tourism										
Sub-Function1: Tourism to expand tourism sector in the region										
To expand tourism sector in the region	number of tourism products developed				3			3		
To market Maluti A Phofung tourism destination	monitor environmental risks in high risk areas				100.0%			100.0%		
To promote compliance to environmental legislation, policies and by laws	air quality management by laws developed				100.0%			100.0%		
Function2: SMME Development										
Sub-function2: SMME's										
Capacity of SMME and increase the number of viable emerging businesses	number of emerging SMME's formalised				25			25		
To expand mining beneficiation sector in the region	number of emerging and small scale miners formalised				4			4		
Function3: Economic Development										
Sub-function3: LED										
To draw new investment to the area	number of new investment attracted				3			3		
To facilitate the industrial development in the region	number of companies retained.				80			80		
To expand the manufacturing sector in the region	number of retained companies and entrants into the sector				4			4		
Function4: Agriculture and rural development										
Sub-function4: Agricultural development										
To expand the agricultural sector in the region	number of new agricultural projects identified and implemented				3			3		
VOTE 9: HUMAN SETTLEMENTS, SPATIAL DEVELOPMENT, PLANNING AND TRADITIONAL AFFAIRS										
FUNCTION: To facilitate access to subsistence and commercial farming										
Sub function: Developing										
To secure tenure rights for all in MAP	Number of title deeds given out through discount benefit scheme				1000					
Review of the SDF and Human Settlement Sector	Selling of sites; building plan fees; relax ations; encroachment; rezoning and subdivisions					Quarterly		Quarterly		
To provide and maintain Cemeteries	No of Sustainable cemeteries established					Tshame & Extension of Bluegum bosch cemetery				
Formalization of Rural Qwaqwa	11 townships & 16 geotechnical reports					Sessions with Traditional Leaders from 11 Districts				
To manage advertisement space monthly	Number of New and old advertisement boards monitored and billed accordingly					44 Billboards and 1000 posters				
To prevent and eradicate all informal settlements	Number of illegal structures on un-proclaimed areas to be reallocated and formalized.					Formalization of informal settlement and re-allocation into sites at Intabazwe 600 sites (1st phase) and Disaster Park 70 Stands.				



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TABLE 34

FS194 Maluti-a-Phofung - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.6%	0.4%	0.3%	0.9%	0.7%	0.7%	0.0%	0.4%	0.4%	0.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.7%	0.8%	1.1%	1.2%	0.9%	0.9%	0.0%	0.5%	0.5%	0.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.5	0.5	0.3	1.0	1.0	1.0	–	1.1	1.1	1.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.5	0.5	0.2	1.0	1.0	1.0	–	1.1	1.1	1.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	–	0.0	0.0	0.0
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		72.6%	96.2%	81.9%	99.6%	100.0%	100.0%	0.0%	100.0%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		70.2%	94.6%	82.2%	99.6%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	15.7%	39.5%	48.9%	63.5%	64.5%	64.5%	0.0%	45.4%	45.7%	46.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))										
Creditors to Cash and Investments		-1308.8%	16875.1%	12842.0%	703.7%	716.4%	716.4%	0.0%	491.1%	260.1%	179.7%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.5%	18.4%	27.5%	23.1%	22.7%	22.7%	0.0%	24.1%	24.2%	24.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.9%	20.1%	28.8%	24.8%	24.3%	24.3%		25.6%	25.8%	26.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.6%	32.2%	8.5%	4.5%	7.4%	7.4%		5.5%	5.6%	5.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	26.5%	13.8%	24.6%	3.8%	3.8%	3.8%	0.0%	3.7%	3.7%	3.8%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	101.7	32.7	20.0	26.7	26.7	26.7	–	27.2	26.9	27.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	35.2%	106.0%	91.3%	100.0%	100.9%	100.9%	0.0%	73.0%	73.8%	75.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.5)	0.1	0.1	1.3	1.4	1.4	–	1.3	2.5	3.7

Performance indicators and benchmarks

1. Borrowing Management

The Municipality's capital expenditure is funded from two sources, namely, National government grants and internally generated funds. The Municipality's borrowing if it intends on taking a loan will be done in terms of chapter 6 of the MFMA, where a long term loan will only be entered into if it's affordable and sustainable. Currently the source of funding is as stated above.

The following financial performance indicators have formed part of the compilation of the 2017/18 MTREF:

- Capital charges to operating expenditure are the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 0.4% over the 2017/18 MTREF which indicates that the Municipality spends an average of 0.4% of its operating expenditure budget annually on finance charges, which is considered feasible and sustainable.
- Borrowing funding as a ratio of own capital expenditure reflects the degree to which own capital expenditure (excluding grants and contributions) has been funded by surplus of the current financial year. However, the ratio averages 0,0% over the 2017/18 MTREF.

2. Safety of Capital

- The debt equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves.
- The gearing ratio is a measure of the total long term borrowings over funds and reserves.

3. Liquidity

- Current ratio measures the extent which current assets cover current liabilities. It is preferable that the ratio is at least above one. This ratio for the Municipality averages 1.1 over the 2017/18 MTREF.
- The liquidity ratio is a measure of the ability of the Municipality to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally a municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. This ratio for the Municipality averages 0.0 over the 2017/18 MTREF.

4. Revenue Management

- The municipality has appointed debt collectors and exercises credit control even to households so actions are carried out against debtors who are in arrears, and loyal customers are regularly encouraged to maintain their current accounts.



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- The Municipality has provided an affordable payment plan for debtors to offset their arrears, where compliance with the payment plan leads to the suspension of all debt management actions and interest being raised.
- Debtors who are experiencing difficulties in paying their accounts are given options to either register as indigent or make affordable arrangements.
- Awareness on operation patala was done through the wards in trying to bring back the culture of paying and educating the community to move away from tempering and illegally connecting themselves.

5. Creditors Management

- In compliance with Section 65 of the Municipal Finance Management Act (MFMA), the Municipality is continually trying to manage payments to creditors within 30 days of invoice or statement in all cases where goods and services are rendered, but this is directly linked to cash flow.



2.4 OVERVIEW OF BUDGET-RELATED POLICIES

The following budget related policies will be submitted to Council and after approval will be made available on the Municipality's website and municipal libraries for inputs. The following policies have been used as a basis for the preparation of the annual budget and were reviewed as listed on **Annexure 4** of the budget document to be approved March 2017.

A) Tariff policy

The Municipal System Act (section 74) requires Council to adopt a Tariff Policy. The general financial management functions as stated in section 62(1) (f) of the MFMA also states that the municipality must have and implement the policy, when determining this policy specific legislation applicable to each service has been taken into consideration.

B) Credit control policy (Attached)

This policy has been formulated in terms of section 96(b) and 98 of the Local Government: Municipal Systems Act, 2000.

C) Rates policy

This policy is formulated in terms of section 3 of the MPRA

D) Supply chain management & subsistence and travelling policy

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. This policy is under review

E) Indigent policy

The objective of this policy is to assist households which are not able to service their municipal accounts as and when they are due and payable, as result of local economic, social and environmental challenges other than through negligence or unwillingness to pay.

F) Budget & reporting policy

The budget policy aims to develop, maintain processes required in developing a municipality budget and detailing the responsibilities of all stakeholders inclusive of the accounting officer, the council, the public through public participation programmes.

G) Cash and investment policy

The investment Policy deals with the management of the municipality's surplus cash resources and the investment thereof.



H) Impairment of debtors and write off policy

The policy aims to ensure that debtors are disclosed in the annual financial statements at the amounts deemed to be collectable and uncollectable debt is written off within the guidelines of existing policies and applicable legislation

I) Virement policy

This policy applies only to transfers between line items within votes of the Municipality's operating budget

J) Assets policy

This policy focuses on amongst others, effective and efficient control, utilization, safeguarding and management of a municipality's property, plant and equipment.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

2.5.1 External factors

The 2017 Budget Review emphasised that, while the global economic growth outlook has improved, it is clouded by the prevailing policy uncertainty due to the increasing pressure within the world trading system. These factors may jeopardise South Africa's prudent macroeconomic and fiscal policies, which include inflation targeting and a flexible exchange rate, the local economy's ability to adjust to global volatility and the stable investment platform.

GDP growth rate is forecasted to increase by 1.3 per cent in 2017 and to improve moderately over the medium term with to 2 per cent and 2.2 per cent in 2018 and 2019 respectively. This forecast is supported by marginally higher global growth, stabilising commodity prices, greater reliability of the electricity network, more favourable weather conditions, recovering business and consumer confidence, and improved labour relations. The positive trajectory marks a shift from several years of declining growth however; this is still not high enough to markedly reduce unemployment, poverty and inequality.

The unemployment rate was 26.5 per cent in the fourth quarter of 2016. In aggregate mining and manufacturing employment declined by 80 306 jobs in 2016 while the services sector created 119 189 jobs during the same period. The economy continues to create opportunities for semi-skilled and skilled workers, and to shed unskilled jobs, reinforcing poverty and inequality and widening the wage gap.

These economic challenges will continue to pressurise municipal revenue generation and collection levels hence a conservative approach is advised for projecting revenue. Municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.



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Employee related costs

The South African Local Government Bargaining Council entered into a three-year *Salary and Wage Collective Agreement* for the period 01 July 2015 to 30 June 2018. The preparation of the 2017/18 MTREF constitutes implementation of the last year of the agreement which municipalities must implement as follows:

- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

The previous years were:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent

Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance.

2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Breakdown of operating revenue over the medium term

TABLE 35

Medium Term Revenue & Expenditure Framework						
Description	Budget Year 2017/18		Budget Year +1 2018/19		Budget Year +2 2019/20	
	R'000	%	R'000	%	R'000	%
Rates & Taxes	207 596	14%	217 976	14%	228 875	14%
Service charges	712 889	48%	737 529	48%	755 213	47%
Interest revenue	34 700	2%	36 435	2%	38 257	2%
Transfers recognised - operational	494 426	33%	519 147	33%	545 105	34%
Other own revenue	36 946	2%	38 793	3%	40 733	3%
TOTAL OPERATING REVENUE	1 486 557	100%	1 549 880	100%	1 608 183	100%

Revenue to be generated from **property rates** is R207.5 million in the 2017/18 financial year and increases to R217.9 million by 2018/19 and R 228.8 million by 2019/20 which represents an average of 14 per cent of the operating revenue base of the municipality. It increases by 5% over the medium-term. In addition, there are still outstanding objections.



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Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R712.8 million for the 2017/18 financial year and increasing to R755.2 million by 2019/20. For the 2016/17 financial year services charges amount to 48 per cent of the total revenue base and grows by 5 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and other tariff charges.

Operational grants and subsidies amount to R494.4 million, R519.1 million and R545.1 million for each of the respective financial years of the MTREF, or 33 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 5% average.

Interest revenue contributes to 2% of the total operating amounting to R34.7 million, R36.4 million and R38.2 million for the respective three financial years of the 2017/18 MTREF.

The tables below provide detail investment information and investment particulars by maturity

TABLE 36

FS194 Maluti-a-Phofung - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		636	787	455	—	—	—	477	501	526
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	636	787	455	—	—	—	477	501	526
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		—	—	—	—	—	—	—	—	—
Consolidated total:		636	787	455	—	—	—	477	501	526

TABLE 37

FS194 Maluti-a-Phofung - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
Sanlam- 5925- 900026112500		Yrs	money market	Yes	Variable					393	20			413
Sanlam- Money Market 50189057-900026112300		Yrs	money market	Yes	Variable					1787	82			1889
Sanlam- 11690236x2-900026112400		Yrs	money market	Yes	Variable					394	20			413
FNB Call Account- 62027358292- 900026110100		Yrs	call account	Yes	Variable					48	2			51
FNB Call Account- MIG Funds- 62199534580- 90000		Yrs	call account	Yes	Variable					1	0			1
FNB JAZZ FUND- 62387689824		Yrs	call account	Yes	Variable					7	0			8
FNB Call Account- INT/HA CORR- 62212896346- 90		Yrs	call account	Yes	Variable					68	3			72
Standard BANK- 348526407- 900026110300		Yrs	call account	Yes	Variable					80	4			84
														—
Municipality sub-total										2779		—	—	2910
Entities														—
														—
														—
														—
Entities sub-total										—		—	—	—
TOTAL INVESTMENTS AND INTEREST	1									2779		—	—	2910



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2.6.2 Breakdown of the capital revenue for MTREF

The following table is a breakdown of the funding composition of the 2017/18 medium-term capital Funding:

TABLE 38

CAPITAL GRANTS	Adjusted Budget 2016/17	%	2017/18 MTREF					
			Budget Year 2017/18	%	Budget Year +2 2018/19	%	Budget Year +2 2019/20	%
Funded by:								
National Government	182 520		209 501		238 873		247 717	
Transfers recognised - capital	182 520	68%	209 501	72%	238 873	77%	247 717	77%
Internally generated funds	84 000	32%	80 100	28%	73 100	23%	74 100	23%
Total Capital Funding	266 520	100%	289 601	100%	311 973	100%	321 817	100%

Capital grants and receipts from national government equals to 72 per cent of the total funding source which represents R209.5 million for the 2017/18 financial year and increases by 14% to R238.8 million by 2018/19, further increases to R247.7 million by 2019/20 which is 4%. Grants from national sources still remain a significant funding source for the 2017/18 to 2019/20 Capital Budget.

The following table is a detailed analysis of the municipality's borrowing

TABLE 39

FS194 Maluti-a-Phofung - Supporting Table SA17 Borrowing

Borrowing - Categorized by type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Annuity and Bullet Loans		13 762	9 077	7 123	8 000	4 500	4 500	5 000	3 000	2 000
Long-Term Loans (non-annuity)										
Municipality sub-total	1	13 762	9 077	7 123	8 000	4 500	4 500	5 000	3 000	2 000
Entities										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	13 762	9 077	7 123	8 000	4 500	4 500	5 000	3 000	2 000

TABLE 40

FS194 Maluti-a-Phofung - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		369 210	403 189	454 043	459 907	455 266	455 266	494 426	519 147	545 105
Local Government Equitable Share		361 770	392 155	451 438	458 097	453 456	453 456	492 281	516 895	542 740
Finance Management		1 550	1 600	1 675	1 810	1 810	1 810	2 145	2 252	2 365
Municipal Systems Improvement		890	934	930						
Water Services Operating Subsidy		5 000	8 500							
Operation Hlasela										
Provincial Government:		2 449	-	-	-	-	-	-	-	-
Operation Hlasela		2 449								
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	371 659	403 189	454 043	459 907	455 266	455 266	494 426	519 147	545 105
Capital Transfers and Grants										
National Government:		289 258	206 474	186 197	185 520	182 520	182 520	209 501	238 873	247 717
Municipal Infrastructure Grant (MIG)		197 323	154 260	157 047	154 870	154 870	154 870	166 843	176 873	185 717
Regional Bulk Infrastructure		49 500	31 548	-	-	-	-	26 658	42 000	42 000
DoE- Integrated National Electrification Programme		20 000	11 300	18 932	3 000			10 000	20 000	20 000
Expanded Public Works Incentive Programme		10 210	4 866	5 718	7 650	7 650	7 650			
Rural Households Infrastructure		2 225	4 499	4 500						
EDMG; Schoonplatz human settlement		10 000			20 000	20 000	20 000	6 000	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	289 258	206 474	186 197	185 520	182 520	182 520	209 501	238 873	247 717
TOTAL RECEIPTS OF TRANSFERS & GRANTS		660 917	609 663	640 240	645 427	637 786	637 786	703 927	758 020	792 821

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other 'to be provided for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue ; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

TABLE 41

FS194 Maluti-a-Phofung - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		57 165	120 001	208 270	207 596	207 596	207 596		207 596	217 976	228 875
Service charges		202 476	367 771	294 378	710 780	708 018	708 018		712 889	737 529	755 213
Other revenue		6 594	279 219	160 290	46 505	29 553	29 553		36 946	38 793	40 733
Government - operating		362 667	403 189	454 043	459 907	455 266	455 266		494 426	519 147	545 105
Government - capital	1	282 040	206 474	187 265	185 520	182 520	182 520		209 501	238 873	247 717
Interest		2 805	1 116	26 962	28 900	32 900	32 900		34 700	36 435	38 257
Dividends											
Payments											
Suppliers and employees		(621 194)	(1 327 906)	(1 116 728)	(1 154 242)	(1 115 833)	(1 115 833)		(1 165 917)	(1 224 213)	(1 268 886)
Finance charges		(5 769)	(4 468)	(4 479)					(5 000)	(5 250)	(5 513)
Transfers and Grants	1				(105 000)	(109 000)	(109 000)		(115 540)	(121 317)	(127 383)
NET CASH FROM/(USED) OPERATING ACTIVITIES		286 783	45 395	210 001	379 966	391 020	391 020	-	409 601	437 973	454 117
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		5 351	2 350	7 756	6 000	-	-		-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables		8 977	8 236	(1 631)					-	-	-
Decrease (increase) in non-current investments			(150)	(84)					-	-	-
Payments											
Capital assets		(310 341)	(1 688)	(206 867)	(257 920)	(266 520)	(266 520)		(289 601)	(311 973)	(321 817)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(296 013)	8 748	(200 825)	(251 920)	(266 520)	(266 520)	-	(289 601)	(311 973)	(321 817)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(2 321)	(3 545)	(3 057)	(6 000)	(4 500)	(4 500)		-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2 321)	(3 545)	(3 057)	(6 000)	(4 500)	(4 500)	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(11 551)	50 599	6 119	122 046	120 000	120 000	-	120 000	126 000	132 300
Cash/cash equivalents at the year begin:	2	(32 319)	(43 870)	6 729	3 000	2 841	2 841		8 290	128 290	254 290
Cash/cash equivalents at the year end:	2	(43 870)	6 729	12 847	125 046	122 841	122 841	-	128 290	254 290	386 590

2.6.4 Cash backed reserves/accumulated surplus reconciliation

The following table meets the requirements of the MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash backed accumulated surplus that was/is available. A shortfall (applications>cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Noncompliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

TABLE 42

FS194 Maluti-a-Phofung - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	(43 870)	6 729	12 847	125 046	122 841	122 841	–	128 290	254 290	386 590
Other current investments > 90 days		(0)	(0)	(4 952)	(117 981)	(115 776)	(115 776)	–	(120 000)	(245 585)	(377 450)
Non current assets - Investments	1	636	787	455	–	–	–	–	477	501	526
Cash and investments available:		(43 234)	7 515	8 350	7 065	7 065	7 065	–	8 768	9 206	9 666
Application of cash and investments											
Unspent conditional transfers		2 481	1 787	2 854	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	505 043	708 435	1 113 706	(15 547)	(15 437)	(15 437)	–	(22 889)	(23 790)	(24 542)
Other provisions											
Long term investments committed	4	710	361	2 560	2 511	2 636	2 636	–	2 688	2 823	2 964
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		508 234	710 583	1 119 120	(13 036)	(12 801)	(12 801)	–	(20 201)	(20 967)	(21 578)
Surplus(shortfall)		(551 468)	(703 067)	(1 110 770)	20 101	19 866	19 866	–	28 968	30 173	31 244

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below:

TABLE 43

FS194 Maluti-a-Phofung Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(43 870)	6 729	12 847	125 046	122 841	122 841	–	128 290	254 290	386 590
Cash + investments at the yr end less applications - R'000	18(1)b	2	(551 468)	(703 067)	(1 110 770)	20 101	19 866	19 866	–	28 968	30 173	31 244
Cash year end/monthly employee/supplier payments	18(1)b	3	(0.5)	0.1	0.1	1.3	1.4	1.4	–	1.3	2.5	3.7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(261 433)	(445 755)	(828 415)	257 920	266 520	266 520	–	289 601	311 973	321 817
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	33.3%	12.6%	44.8%	(6.7%)	(6.0%)	(106.0%)	(5.5%)	(2.2%)	(3.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	56.5%	78.1%	95.5%	96.9%	96.9%	96.9%	0.0%	96.8%	96.8%	96.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	49.7%	(31.6%)	41.7%	7.6%	7.6%	7.6%	0.0%	7.6%	7.7%	7.8%
Capital payments % of capital expenditure	18(1)c,(19)	8	100.0%	0.7%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	98.8%	98.8%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	318.6%	2.3%	65.2%	0.0%	0.0%	(100.0%)	(27.3%)	5.0%	5.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(49.1%)	608.4%	(85.2%)	0.0%	0.0%	(100.0%)	608.4%	5.0%	5.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.3%	14.9%	3.4%	2.1%	3.4%	3.4%	0.0%	2.7%	2.7%	2.7%
Asset renewal % of capital budget	20(1)(vi)	14	3.3%	1.4%	5.8%	9.6%	6.2%	6.2%	0.0%	10.0%	7.3%	7.5%

2.6.5.1 *Cash/cash equivalent position*

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements. If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very likely to meet the MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2017/18 MTREF show a positive R128million, R254 million and R386 million for each respective financial year.

2.6.5.2 *Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality applies its available cash and investments. In the Municipality's case, the total of cash plus investment, less applications, is more than the commitments for each corresponding year the 2017/18 MTREF, which shows that the Municipality can afford its commitments in the medium term. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made.

2.6.5.3 *Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress (i.e. the number of times that average monthly payments are covered) from a collection and cash in-flow perspective. This ratio is 1.3 in 2017/18, 2.5 in 18/19 and 3.7 in 19/20 MTREF period, which shows that stable provision in respect of the monthly payment coverage has been made. The municipal's view is that one months' provision is sufficient.

2.6.5.4 *Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution towards the economic benefits they are consuming over the medium term. For the 2017/2018 MTREF the indicative outcome is a surplus of R 289.6 million, R311.9 million and R321.8 million which means forecast tariffs and taxes are sufficient, implying that the community is making an adequate contribution to the economic benefits they receive.

2.6.5.5 *Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to test whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc. At 5.5%, 2.2% and 3% for the three MTREF years the ratio for 2017/18 is less than the National Treasury CPI targets

2.6.5.6 *Cash receipts as a percentage of ratepayers and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 96.8% for 2017/18 and 2018/19 and 96.7% for 2019/2020. Given that the assumed collection rate was based on the 100 per cent performance target, the cash flow statement has been conservatively determined.

2.6.5.7 *Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the assumption for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 7.6% average per cent over the MTREF. Considering the debt collectors and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 *Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100% per cent timing discount has been factored into the cash position forecasted in 2017/2018 financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 *Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Extremely funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 0% per cent of own funded capital for the 2017/18 financial year.



2.6.5.10 Transfers/grants revenue as percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor, the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to assess repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets



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2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

TABLE 44

FS194 Maluti-a-Phofung - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		369 210	403 189	454 043	459 907	455 266	455 266	494 426	519 147	545 105
Local Government Equitable Share		361 770	392 155	451 438	458 097	453 456	453 456	492 281	516 895	542 740
Finance Management		1 550	1 600	1 675	1 810	1 810	1 810	2 145	2 252	2 365
Municipal Systems Improvement		890	934	930						
Water Services Operating Subsidy		5 000	8 500							
Operation Hlasela										
Provincial Government:		2 449	–	–	–	–	–	–	–	–
Operation Hlasela		2 449								
District Municipality: [insert description]		–	–	–	–	–	–	–	–	–
Other grant providers: [insert description]		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	371 659	403 189	454 043	459 907	455 266	455 266	494 426	519 147	545 105
Capital Transfers and Grants										
National Government:		289 258	206 474	186 197	185 520	182 520	182 520	209 501	238 873	247 717
Municipal Infrastructure Grant (MIG)		197 323	154 260	157 047	154 870	154 870	154 870	166 843	176 873	185 717
Regional Bulk Infrastructure		49 500	31 548	–	–	–	–	26 658	42 000	42 000
DoE- Integrated National Electrification Programme		20 000	11 300	18 932	3 000	7 650	7 650	10 000	20 000	20 000
Expanded Public Works Incentive Programme		10 210	4 866	5 718	7 650					
Rural Households Infrastructure		2 225	4 499	4 500						
EDMG; Schoonplatz human settlement		10 000			20 000	20 000	20 000	6 000	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality: [insert description]		–	–	–	–	–	–	–	–	–
Other grant providers: [insert description]		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	289 258	206 474	186 197	185 520	182 520	182 520	209 501	238 873	247 717
TOTAL RECEIPTS OF TRANSFERS & GRANTS		660 917	609 663	640 240	645 427	637 786	637 786	703 927	758 020	792 821

TABLE 45

FS194 Maluti-a-Phofung - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		365 116	403 189	454 043	459 907	455 266	455 266	494 426	519 147	545 105
Local Government Equitable Share		355 227	392 155	451 438	458 097	453 456	453 456	492 281	516 895	542 740
Finance Management		1 550	1 600	1 675	1 810	1 810	1 810	2 145	2 252	2 365
Municipal Systems Improvement		890	934	930						
Water Services Operating Subsidy		5 000	8 500							
Operation Hlasela		2 449								
Provincial Government:		–	–	–	–	–	–	–	–	–
Operation Hlasela										
District Municipality: [insert description]		–	–	–	–	–	–	–	–	–
Other grant providers: [insert description]		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants		365 116	403 189	454 043	459 907	455 266	455 266	494 426	519 147	545 105
Capital expenditure of Transfers and Grants										
National Government:		280 400	206 474	186 197	185 520	182 520	182 520	209 501	238 873	247 717
Municipal Infrastructure Grant (MIG)		197 323	154 260	157 047	154 870	154 870	154 870	166 843	176 873	185 717
Regional Bulk Infrastructure		50 507	31 548	–	–	–	–	26 658	42 000	42 000
DoE- Integrated National Electrification Programme		20 000	11 300	18 932	3 000	7 650	7 650	10 000	20 000	20 000
Expanded Public Works Incentive Programme		12 570	4 866	5 718	7 650					
Rural Households Infrastructure		–	4 499	4 500						
EDMG; Schoonplatz human settlement		–			20 000	20 000	20 000	6 000	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality: [insert description]		–	–	–	–	–	–	–	–	–
Other grant providers: [insert description]		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		280 400	206 474	186 197	185 520	182 520	182 520	209 501	238 873	247 717
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		645 516	609 663	640 240	645 427	637 786	637 786	703 927	758 020	792 821



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TABLE 46

FS194 Maluti-a-Phofung - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(3 765)								
Current year receipts		366 667	403 189	454 043	459 907	455 266	455 266	494 426	519 147	545 105
Conditions met - transferred to revenue		360 453	403 189	454 043	459 907	455 266	455 266	494 426	519 147	545 105
Conditions still to be met - transferred to liabilities		2 449								
Provincial Government:										
Balance unspent at beginning of the year		1 149								
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		1 149								
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		360 453	403 189	454 043	459 907	455 266	455 266	494 426	519 147	545 105
Total operating transfers and grants - CTBM	2	3 598	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(2 940)	(1 787)	(2 854)						
Current year receipts		285 789	206 155	189 052	185 520	182 520	182 520	209 501	238 873	247 717
Conditions met - transferred to revenue		282 849	204 368	186 197	185 520	182 520	182 520	209 501	238 873	247 717
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		282 849	204 368	186 197	185 520	182 520	182 520	209 501	238 873	247 717
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		643 302	607 557	640 240	645 427	637 786	637 786	703 927	758 020	792 821
TOTAL TRANSFERS AND GRANTS - CTBM		3 598	-	-	-	-	-	-	-	-

Allocations and grants made by the municipality

TABLE 47

FS194 Maluti-a-Phofung - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash Transfers to Entities/Other External Mechanisms											
Water Subsidy to MAP Water entity	2	5 000	8 500								
Equitable share to Maluti Water		75 000	91 722	95 000	105 000	109 000	109 000		115 540	121 317	127 383
Total Cash Transfers To Entities/Ems'		80 000	100 222	95 000	105 000	109 000	109 000	-	115 540	121 317	127 383
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	80 000	100 222	95 000	105 000	109 000	109 000	-	115 540	121 317	127 383
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	80 000	100 222	95 000	105 000	109 000	109 000	-	115 540	121 317	127 383





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TABLE 50

FS194 Maluti-a-Phofung - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)	4	67	15	52	69	14	55	69	14	55
Board Members of municipal entities	5									
Municipal employees										
Municipal Manager and Senior Managers	3	10	2	8	6		6	9		9
Other Managers	7	45	45		50	45	5	50	45	5
Professionals		725	642	83	297	260	37	297	260	37
Finance		55	55		42	42		42	42	
Spatial/town planning		27	27		27	27		27	27	
Information Technology		2	2							
Roads		14	14		15	15		15	15	
Electricity		3	3		15	15		15	15	
Water										
Sanitation										
Refuse		46	46		10	10		10	10	
Other		578	495	83	188	151	37	188	151	37
Technicians		3	3		851	752	99	851	752	99
Finance										
Spatial/town planning					1	1		1	1	
Information Technology		1	1		5	5		5	5	
Roads		2	2							
Electricity					66	26	40	66	26	40
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)		369	256	113	779	720	59	779	720	59
Service and sales workers					68	39	29	68	39	29
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	1 219	963	256	1 341	1 110	231	1 344	1 110	234
% increase					10.0%	15.3%	(9.8%)	0.2%		1.3%
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10	60	59	1	65	64	1	65	64	1
Human Resources personnel headcount	8, 10	11	11		11	11		11	11	

2.8.1 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

TABLE 51

FS194 Maluti-a-Phofung - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2017/18											
		July	August	Sept.	October	November	December	January	February	March	April	May	June
R thousand													
Revenue By Source													
Property rates		10 380	14 532	20 760	20 760	16 608	10 380	16 608	20 760	10 380	14 532	8 304	43 595
Service charges - electricity revenue		27 908	39 072	55 917	27 908	44 653	27 908	55 917	39 072	27 908	39 072	22 327	133 960
Service charges - sanitation revenue		3 916	5 482	7 831	3 916	6 265	3 916	6 265	7 831	3 916	5 482	3 133	17 210
Service charges - refuse revenue		2 079	2 910	4 158	2 079	3 326	2 079	3 326	4 158	2 079	2 910	1 663	9 137
Service charges - other		1 742	2 438	3 483	1 742	2 787	1 742	2 787	3 483	1 742	2 438	1 393	7 654
Rental of facilities and equipment		64	90	77	64	103	116	51	128	64	90	51	385
Interest earned - external investments		145	203	174	145	232	261	116	290	145	203	116	870
Interest earned - outstanding debtors		1 590	2 226	1 908	1 590	2 544	2 862	1 272	3 180	1 590	2 226	1 272	9 540
Dividends received													
Fines, penalties and forfeits		401	561	481	401	641	721	320	801	401	561	320	2 404
Licences and permits													
Agency services													
Transfers and subsidies		150 000	2 145				165 000			177 281			
Other revenue		1 383	1 936	1 659	1 383	2 212	2 489	1 106	2 765	1 383	1 936	1 106	8 295
Gains on disposal of PPE													
Total Revenue (excluding capital transfers and contributions)		199 607	71 594	96 347	59 986	79 370	217 472	87 668	99 213	226 888	75 677	39 685	233 049
Expenditure By Type													
Employee related costs		17 877	21 453	32 179	25 028	28 604	35 755	35 755	25 028	32 179	28 604	25 028	50 057
Remuneration of councillors		1 168	1 401	2 102	701	1 869	1 168	2 336	1 635	934	1 401	1 635	7 007
Debt impairment		3 500	3 500	3 500	2 100	2 800	2 100	2 100	4 900	2 800	4 200	2 100	36 400
Depreciation & asset impairment		2 500	3 000	4 500	1 500	4 000	2 500	5 000	3 500	2 000	3 000	3 500	15 000
Finance charges		250	300	450	150	400	250	500	350	200	300	350	1 500
Bulk purchases			47 250		9 450		28 350			63 000			166 950
Other materials													
Contracted services		5 853	7 023	1 171	3 512	3 512	5 853	11 705	8 194	4 682	7 023	1 171	57 356
Transfers and subsidies		5 777	6 932	10 399	3 466	9 243	5 777	11 554	8 088	4 622	6 932	1 155	41 594
Other expenditure		17 648	21 177	31 766	10 589	17 648	17 648	24 707	14 118	21 177	31 766	10 589	155 301
Loss on disposal of PPE													
Total Expenditure		54 573	112 037	86 067	56 496	68 075	99 400	86 598	76 402	124 536	72 638	38 469	531 166
Surplus/(Deficit)		145 034	(40 443)	10 280	3 491	11 295	118 072	1 070	22 811	102 352	3 038	1 216	(298 117)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			80 000				75 000			54 501			
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													
Transfers and subsidies - capital (in-kind - all)													
Surplus/(Deficit) after capital transfers & contributions		145 034	39 557	10 280	3 491	11 295	193 072	1 070	22 811	156 853	3 038	1 216	(298 117)
Taxation													
Attributable to minorities													
Share of surplus/ (deficit) of associate													
Surplus/(Deficit)	1	145 034	39 557	10 280	3 491	11 295	193 072	1 070	22 811	156 853	3 038	1 216	(298 117)



Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 52

FS194 Maluti-a-Phofung - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2017/18											
		July	August	Sept.	October	November	December	January	February	March	April	May	June
Revenue by Vote													
Vote 1 - Legislative Authority													-
Vote 2 - Office of the Municipal Manager													150
Vote 3 - Corporate Services		25	35	30	25	40	45	20	50	25	35	20	150
Vote 4 - Budget & Treasury Office		150 000	14 939	32 277	23 700	24 713	165 000	14 349	22 641	177 281	27 476	29 879	64 715
Vote 5 - Municipal Infrastructure		8 211	85 000	4 853	5 211	6 138	81 000	14 569	16 422	60 501	5 496	14 569	62 254
Vote 6 - Community Services		136	191	163	136	218	245	109	272	136	191	109	817
Vote 7 - Public Safety & Transport		450	630	540	450	719	809	360	899	450	630	360	2 698
Vote 8 - Sports, Parks, Arts & Culture		22	31	26	22	35	39	17	44	22	31	17	131
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		279	391	335	279	446	502	223	558	279	391	223	1 674
Vote 10 - Human Settlements		95	133	114	95	152	171	76	190	95	133	76	570
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		160	224	192	160	256	288	128	320	160	224	128	959
Vote 13 - Electricity Department		40 229	50 022	57 817	29 908	46 653	44 373	57 817	57 817	42 440	41 072	22 461	70 925
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		199 607	151 594	96 347	59 986	79 370	292 472	87 668	99 213	281 389	75 677	67 842	204 892
Expenditure by Vote to be appropriated													
Vote 1 - Legislative Authority		5 699	7 979	6 839	5 699	4 559	10 259	4 559	3 420	5 699	7 979	4 559	46 733
Vote 2 - Office of the Municipal Manager		2 557	3 580	3 068	2 557	2 046	4 602	2 046	1 534	2 557	3 580	2 046	20 967
Vote 3 - Corporate Services		3 191	4 467	3 829	3 191	2 552	5 743	2 552	1 914	3 191	4 467	2 552	26 163
Vote 4 - Budget & Treasury Office		18 580	26 013	22 297	18 580	14 864	33 445	14 864	11 148	18 580	26 013	14 864	152 360
Vote 5 - Municipal Infrastructure		5 962	8 346	7 154	5 962	4 769	10 731	4 769	3 577	5 962	8 346	4 769	48 884
Vote 6 - Community Services		763	1 069	916	763	611	1 374	611	458	763	1 069	611	6 260
Vote 7 - Public Safety & Transport		5 847	8 186	7 016	5 847	4 678	10 525	4 678	3 508	5 847	8 186	4 678	47 945
Vote 8 - Sports, Parks, Arts & Culture		2 485	3 479	2 982	2 485	1 988	4 473	1 988	1 491	2 485	3 479	1 988	20 376
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		1 493	2 090	1 791	1 493	1 194	2 687	1 194	896	1 493	2 090	1 194	12 240
Vote 10 - Human Settlements		593	831	712	593	475	1 068	475	356	593	831	475	4 866
Vote 11 - IDP- PMS Department		450	629	539	450	360	809	360	270	450	629	360	3 686
Vote 12 - Spatial Development, Planning & Traditional		753	1 054	904	753	602	1 355	602	452	753	1 054	602	6 175
Vote 13 - Electricity Department		6 200	44 316	28 020	8 123	29 377	12 330	47 900	47 378	76 163	4 917	17 560	116 722
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		54 573	112 037	86 067	56 496	68 075	99 400	86 598	76 402	124 536	72 638	56 258	513 377
Surplus/(Deficit) before assoc.		145 034	39 557	10 280	3 491	11 295	193 072	1 070	22 811	156 853	3 038	11 584	(308 485)
Taxation													-
Attributable to minorities													-
Share of surplus/ (deficit) of associate													-
Surplus/(Deficit)	1	145 034	39 557	10 280	3 491	11 295	193 072	1 070	22 811	156 853	3 038	11 584	(308 485)

TABLE 53

FS194 Maluti-a-Phofung - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Budget Year 2017/18													Medium Term Revenue and Expenditure Framework		
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Budget Year 2017/18													Budget Year 2017/18		



Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 54

FS194 Maluti-a-Phofung - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Multi-year expenditure to be appropriated	1															
Vote 1 - Legislative Authority														-	-	-
Vote 2 - Office of the Municipal Manager														-	-	-
Vote 3 - Corporate Services														-	-	-
Vote 4 - Budget & Treasury Office														-	-	-
Vote 5 - Municipal Infrastructure		14 325	20 055	17 190	14 325	22 920	25 785	11 460	28 650	14 325	20 055	11 460	85 950	286 501	308 873	318 717
Vote 6 - Community Services														-	-	-
Vote 7 - Public Safety & Transport														-	-	-
Vote 8 - Sports, Parks, Arts & Culture														-	-	-
Vote 9 - LED,Tourism,SMME's,Rural & agricultural development														-	-	-
Vote 10 - Human Settlements														-	-	-
Vote 11 - IDP- PMS Department														-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs														-	-	-
Vote 13 - Electricity Department														-	-	-
Vote 14 - Maluti Water (Pty) Ltd														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital multi-year expenditure sub-total	2	14 325	20 055	17 190	14 325	22 920	25 785	11 460	28 650	14 325	20 055	11 460	85 950	286 501	308 873	318 717
Single-year expenditure to be appropriated																
Vote 1 - Legislative Authority														-	-	-
Vote 2 - Office of the Municipal Manager		100	140	120	100	160	180	80	200	100	140	80	600	2 000	2 000	2 000
Vote 3 - Corporate Services		30	42	36	30	48	54	24	60	30	42	24	180	600	600	600
Vote 4 - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport		25	35	30	25	40	45	20	50	25	35	20	150	500	500	500
Vote 8 - Sports, Parks, Arts & Culture														-	-	-
Vote 9 - LED,Tourism,SMME's,Rural & agricultural development														-	-	-
Vote 10 - Human Settlements														-	-	-
Vote 11 - IDP- PMS Department														-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs														-	-	-
Vote 13 - Electricity Department														-	-	-
Vote 14 - Maluti Water (Pty) Ltd														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital single-year expenditure sub-total	2	155	217	186	155	248	279	124	310	155	217	124	930	3 100	3 100	3 100
Total Capital Expenditure	2	14 480	20 272	17 376	14 480	23 168	26 064	11 584	28 960	14 480	20 272	11 584	86 880	289 601	311 973	321 817

TABLE 55

FS194 Maluti-a-Phofung - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2017/18														
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June			
Capital Expenditure - Functional	1															
Governance and administration		505	707	606	505	808	909	404	1 010	505	707	404	3 030			
Executive and council		505	707	606	505	808	909	404	1 010	505	707	404	3 030			
Finance and administration																
Internal audit																
Community and public safety		4 041	5 658	4 850	4 041	6 466	7 274	3 233	8 083	4 041	5 658	3 233	24 248			
Community and social services		2 698	3 777	3 237	2 698	4 316	4 856	2 158	5 395	2 698	3 777	2 158	16 186			
Sport and recreation		1 344	1 881	1 612	1 344	2 150	2 419	1 075	2 687	1 344	1 881	1 075	8 062			
Public safety																
Housing																
Health																
Economic and environmental services		3 629	5 081	4 355	3 629	5 806	6 532	2 903	7 258	3 629	5 081	2 903	21 774			
Planning and development																
Road transport		3 629	5 081	4 355	3 629	5 806	6 532	2 903	7 258	3 629	5 081	2 903	21 774			
Environmental protection																
Trading services		5 888	8 243	7 065	5 888	9 420	10 598	4 710	11 775	5 888	8 243	4 710	35 326			
Energy sources		1 430	2 002	1 716	1 430	2 288	2 574	1 144	2 860	1 430	2 002	1 144	8 580			
Water management		2 143	3 000	2 572	2 143	3 429	3 858	1 715	4 286	2 143	3 000	1 715	12 859			
Waste water management		2 315	3 240	2 778	2 315	3 703	4 166	1 852	4 629	2 315	3 240	1 852	13 888			
Waste management																
Other		417	584	501	417	667	751	334	834	417	584	334	2 503			
Total Capital Expenditure - Functional	2	14 480	20 272	17 376	14 480	23 168	26 064	11 584	28 960	14 480	20 272	11 584	86 880			
Funded by:																
National Government		10 475	14 665	12 570	10 475	16 760	18 855	8 380	20 950	10 475	14 665	8 380	62 850			
Provincial Government																
District Municipality																
Other transfers and grants																
Transfers recognised - capital		10 475	14 665	12 570	10 475	16 760	18 855	8 380	20 950	10 475	14 665	8 380	62 850			
Public contributions & donations																
Borrowing																
Internally generated funds		4 005	5 607	4 806	4 005	6 408	7 209	3 204	8 010	4 005	5 607	3 204	24 030			
Total Capital Funding		14 480	20 272	17 376	14 480	23 168	26 064	11 584	28 960	14 480	20 272	11 584	86 880			



Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 56

FS194 Maluti-a-Phofung - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Receipts By Source													1		
Property rates	10 380	12 456	18 684	6 228	16 608	10 380	20 760	14 532	8 304	12 456	14 532	62 279	207 596	217 976	228 875
Service charges - electricity revenue	27 908	33 490	50 235	16 745	44 653	27 908	55 817	39 072	22 327	33 490	39 072	167 450	558 165	575 069	584 630
Service charges - water revenue	3 916	4 699	7 048	2 349	6 265	3 916	7 831	5 482	3 133	4 699	5 482	23 494	78 315	82 231	86 342
Service charges - sanitation revenue	2 079	2 495	3 742	1 247	3 326	2 079	4 158	2 910	1 663	2 495	2 910	12 473	41 577	43 656	45 839
Service charges - refuse revenue	1 742	2 090	3 135	1 045	2 787	1 742	3 483	2 438	1 393	2 090	2 438	10 449	34 832	36 573	38 402
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	64	77	116	39	103	64	128	90	51	77	90	385	1 284	1 348	1 415
Interest earned - external investments	145	174	261	87	232	145	290	203	116	174	203	870	2 900	3 045	3 197
Interest earned - outstanding debtors	1 590	1 908	2 862	954	2 544	1 590	3 180	2 226	1 272	1 908	2 226	9 540	31 800	33 390	35 060
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	401	481	721	240	641	401	801	561	320	481	561	2 404	8 012	8 413	8 833
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	150 000	2 145	-	-	-	165 000	-	-	177 281	-	-	-	494 426	519 147	545 105
Other revenue	1 383	1 659	2 489	830	2 212	1 383	2 765	1 936	1 106	1 659	1 936	8 295	27 650	29 033	30 484
Cash Receipts by Source	199 607	61 673	89 292	29 764	79 370	214 607	99 213	69 449	216 966	59 528	69 449	297 639	1 486 557	1 549 880	1 608 181
Other Cash Flows by Source															
Transfer receipts - capital	-	80 000	-	-	-	75 000	-	-	54 501	-	-	-	209 501	238 873	247 717
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	199 607	141 673	89 292	29 764	79 370	289 607	99 213	69 449	271 467	59 528	69 449	297 639	1 696 058	1 788 753	1 855 898
Cash Payments by Type															
Employee related costs	17 877	21 453	32 179	10 726	28 604	17 877	35 755	25 028	14 302	21 453	25 028	107 265	357 549	375 426	394 198
Remuneration of councillors	1 168	1 401	2 102	701	1 869	1 168	2 336	1 635	934	1 401	1 635	7 007	23 357	24 525	25 751
Finance charges	250	300	450	150	400	250	500	350	200	300	350	1 500	5 000	5 250	5 513
Bulk purchases - Electricity	15 750	18 900	28 350	9 450	25 200	15 750	31 500	22 050	12 600	18 900	22 050	94 500	315 000	330 750	347 288
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	5 853	7 023	10 535	3 512	9 364	5 853	11 705	8 194	4 682	7 023	8 194	35 116	117 054	122 907	129 052
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	5 777	6 932	10 399	3 466	9 243	5 777	11 554	8 088	4 622	6 932	8 088	34 662	115 540	121 317	127 383
Other expenditure	17 648	21 177	31 766	10 589	28 237	17 648	35 296	24 707	14 118	21 177	24 707	105 887	352 957	370 605	372 598
Cash Payments by Type	64 323	77 187	115 781	38 594	102 917	64 323	128 646	90 052	51 458	77 187	90 052	385 937	1 286 457	1 350 780	1 401 781
Other Cash Flows/Payments by Type															
Capital assets	14 480	17 376	26 064	8 688	23 168	14 480	28 960	20 272	11 584	17 376	20 272	86 880	289 601	311 973	321 817
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	78 803	94 563	141 845	47 282	126 085	78 803	157 606	110 324	63 042	94 563	110 324	472 817	1 576 058	1 662 753	1 723 598
NET INCREASE/(DECREASE) IN CASH HELD	120 804	47 109	(52 553)	(17 518)	(46 714)	210 804	(58 393)	(40 875)	208 425	(35 036)	(40 875)	(175 178)	120 000	126 000	132 300
Cash/cash equivalents at the month/year begin:	8 290	129 094	176 203	123 650	106 132	59 418	270 221	211 829	170 954	379 379	344 343	303 468	8 290	128 290	254 290
Cash/cash equivalents at the month/year end:	129 094	176 203	123 650	106 132	59 418	270 221	211 829	170 954	379 379	344 343	303 468	128 290	128 290	254 290	386 590



2.10 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – INTERNAL DEPARTMENTS

The SDBIP gives effect to the Integrated Development Plan and Budget of the municipality. It is the expression of the objectives of the MAP municipality with the expected outcomes which will be implemented by the administration (Directorates) within MAP municipality. It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It facilitates oversight of financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the Directors, The Executive Mayor/ Council to monitor the performance of the Municipal Manager, and the community to monitor the performance of the Municipality. The Service Delivery Budget Implementation Plan (SDBIP) will be approved the Executive Mayor after the approval of the annual budget.

In terms of section 53(1) © (ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) is expected to be approved by the mayor within 28 days after the approval of the budget and in addition, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval

The SDBIP must contain the following:

- Measurable objectives,
- Monthly Projections
- Service delivery strategies,
- Key outputs,
- Performance/service delivery indicators, and
- Performance/service delivery targets.

These plans will be used as justification for the allocation of funds, whether it is of a capital or an operational nature. It is important that Portfolio Committee members are involved in the compilation of these operational plans to ensure that they address political aspirations.



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2.11 CONTRACT HAVING FUTURE BUDGETARY IMPLICATIONS

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

TABLE 57

FS194 Maluti-a-Phofung - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework			Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Indigent Register		425		9 000	9 450	9 923								28 797
Call outs		18 301	9 000	9 064	9 517	9 993								
Municipal assets Insurance		68 153	20 000	20 000	21 000	22 050								
Landfill site Management		5 944	2 340	5 040	5 292	5 557								
Valuation roll/Credit control charges		6 068	1 500	1 500	1 575	1 654								
Financial System		6 068	2 000	5 000	5 250	5 513								
Collection costs/printing consumer accounts		2 052	500	200	210	221								
Revenue Enhancement		16 027	15 150	20 000	21 000	22 050								
Streetslights-ennergy efficient lighting		25 867	10 000	5 000	5 250	5 513								
Dinatlwa Debt collectors		9 094		-	-	-								
VAT Review		3 000	5 000	3 000	3 150	3 308								
Compilation of Financial Statements		5 000	5 000	5 000	5 250	5 513								
Assets Verification		700	1 000	2 000	2 100	2 205								
Urban Renewal		2 000	5 400	3 000	3 150	3 308								
Debt collectors		30 862	2 000	1 500	1 575	1 654								
SCM Database		-	450	450	473	496								
SCM Management Support		-	800	800	840	882								
Traffic management		-	2 000	3 500	3 675	3 859								
Security Services		-	5 000	8 000	8 400	8 820								
ICT Support		-		10 000	10 500	11 025								
Rural formalisation		-		1 500	1 575	1 654								4 729
Fencing of landfill site		-		3 500	3 675	3 859								11 034
Total Operating Expenditure Implication		199 561	87 140	117 054	122 907	129 052	-	-	-	-	-	-	-	655 714
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		199 561	87 140	117 054	122 907	129 052	-	-	-	-	-	-	-	655 714



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2.12 CAPITAL EXPENDITURE DETAIL

TABLE 58

FS194 Maluti-a-Phofung - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		279 976	205 573	134 230	174 133	185 229	185 229	198 675	243 828	250 869
Roads Infrastructure		91 781	28 448	39 204	86 782	96 676	96 676	72 579	95 286	98 801
Roads		91 781	28 448	39 204	86 782	96 676	96 676	72 579	95 286	98 801
Road Structures										
Attenuation										
Electrical Infrastructure		34 539	37 606	25 247	6 048	10 669	10 669	28 600	33 900	34 295
Power Plants		34 539	37 606	25 247	6 048	10 669	10 669	28 600	33 900	34 295
HV Substations										
Water Supply Infrastructure		74 147	73 648	40 960	50 168	44 999	44 999	42 863	58 520	59 346
Dams and Weirs										
Boreholes										
Reservoirs				2 372	-			2 500	7 448	7 820
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution		74 147	73 648	38 588	50 168	44 999	44 999	40 363	51 072	51 526
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		69 711	60 917	20 439	17 391	22 142	22 142	46 292	47 278	49 142
Pump Station										
Reticulation		69 711	60 917	20 439	17 391	22 142	22 142	46 292	47 278	49 142
Waste Water Treatment Works										
Information and Communication Infrastructure		9 798	4 955	8 380	13 744	10 744	10 744	8 342	8 844	9 286
Data Centres		9 798	4 955	8 380	13 744	10 744	10 744	8 342	8 844	9 286
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		17 823	35 300	54 312	46 579	52 910	52 910	51 857	34 124	34 780
Community Facilities		7 116	15 744	27 398	30 294	30 384	30 384	41 387	32 747	33 335
Halls										
Libraries										
Cemeteries/Crematoria		-		6 874	2 644	4 734	4 734	1 250		
Taxi Ranks/Bus Terminals								17 137	11 747	12 335
Capital Spares		7 116	15 744	20 524	27 650	25 650	25 650	23 000	21 000	21 000
Sport and Recreation Facilities		10 707	19 557	26 914	16 285	22 525	22 525	10 471	1 376	1 445
Indoor Facilities		10 707	19 557	26 914	16 285	22 525	22 525	10 471	1 376	1 445
Outdoor Facilities										
Other assets		-	-	3 000	3 000	3 000	3 000	-	-	-
Operational Buildings		-	-	3 000	3 000	3 000	3 000	-	-	-
Municipal Offices				3 000	3 000	3 000	3 000			
Pay/Enquiry Points										
Computer Equipment		1 752	673	1 913	3 300	2 050	2 050	1 500	1 500	1 500
Computer Equipment		1 752	673	1 913	3 300	2 050	2 050	1 500	1 500	1 500
Furniture and Office Equipment		-	-	500	1 100	1 450	1 450	1 600	1 600	1 600
Furniture and Office Equipment				500	1 100	1 450	1 450	1 600	1 600	1 600
Machinery and Equipment		480	808	830	5 000	5 263	5 263	7 000	8 000	9 000
Machinery and Equipment		480	808	830	5 000	5 263	5 263	7 000	8 000	9 000
Transport Assets		-	3 913	-	-	-	-	-	-	-
Transport Assets			3 913							
Total Capital Expenditure on new assets	1	300 031	246 268	194 785	233 112	249 902	249 902	260 633	289 052	297 749



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TABLE 59

FS194 Maluti-a-Phofung - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	12 082	4 000	3 906	3 906	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Attenuation										
Electrical Infrastructure		-	-	12 082	4 000	3 906	3 906	-	-	-
Power Plants										
HV Substations				12 082	4 000	3 906	3 906			
HV Switching Station										
Community Assets		3 920	1 932	-	20 808	12 711	12 711	28 968	22 921	24 067
Community Facilities		3 920	1 932	-	2 300	-	-	12 566	18 434	19 355
Halls		3 920	1 932		-			5 643	8 357	8 775
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations					2 300			6 924	10 076	10 580
Testing Stations										
Sport and Recreation Facilities		-	-	-	18 508	12 711	12 711	16 402	4 488	4 712
Indoor Facilities										
Outdoor Facilities					18 508	12 711	12 711	16 402	4 488	4 712
Capital Spares										
Other assets		6 389	1 565	-	-	-	-	-	-	-
Operational Buildings		6 389	1 565	-	-	-	-	-	-	-
Municipal Offices		6 389	1 565							
Pay/Enquiry Points										
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on renewal of existing	1	10 309	3 497	12 082	24 808	16 618	16 618	28 968	22 921	24 067
Renewal of Existing Assets as % of total capex		0.0%	1.4%	5.8%	9.6%	6.2%	6.2%	10.0%	7.3%	7.5%
Renewal of Existing Assets as % of deprecn "		4.8%	1.9%	4.3%	49.6%	33.2%	33.2%	57.9%	43.7%	43.7%



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TABLE 60

FS194 Maluti-a-Phofung - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and maintenance expenditure by Asset Class/Sub-class	1									
Infrastructure		49 509	441 990	109 500	55 000	93 000	93 000	70 300	73 815	77 506
Roads Infrastructure		32 813	61 801	65 000	12 000	40 000	40 000	30 000	31 500	33 075
Roads		32 813	61 801	65 000	12 000	40 000	40 000	30 000	31 500	33 075
Road Structures		–								
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	2 000	5 000	7 000	7 000	5 000	5 250	5 513
Drainage Collection										
Storm water Conveyance				2 000	5 000	7 000	7 000	5 000	5 250	5 513
Attenuation										
Electrical Infrastructure		16 317	28 176	42 500	38 000	41 000	41 000	30 300	31 815	33 406
Power Plants		7 720	22 411	32 500	25 000	33 000	33 000	21 800	22 890	24 035
HV Substations								8 500	8 925	9 371
HV Switching Station										
MV Networks										
LV Networks		8 598	5 765	10 000	13 000	8 000	8 000			
Capital Spares										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	5 000	5 000	5 000	5 250	5 513
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities						5 000	5 000	5 000	5 250	5 513
Capital Spares										
Capital Spares										
Information and Communication Infrastructure		378	352 013	–	–	–	–	–	–	–
Data Centres		378	352 013							
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		–	181	2 580	1 370	1 300	1 300	1 000	1 050	1 103
Community Facilities		–	181	2 580	1 370	1 300	1 300	1 000	1 050	1 103
Halls										
Purbs										
Public Open Space					120	300	300	1 000	1 050	1 103
Capital Spares			181	2 580	1 250	1 000	1 000			
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities										
Unimproved Property										
Other assets		18 476	1 109	(20 559)	5 330	5 300	5 300	3 000	3 150	3 308
Operational Buildings		18 476	1 109	(20 559)	5 330	5 300	5 300	3 000	3 150	3 308
Municipal Offices		2 570	1 109	6 000	5 000	5 000	5 000	3 000	3 150	3 308
Pay/Enquiry Points										
Depots										
Capital Spares		15 906	(0)	(26 559)	330	300	300	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Computer Equipment		155	99	200	1 240	690	690	2 000	2 100	2 205
Computer Equipment		155	99	200	1 240	690	690	2 000	2 100	2 205
Furniture and Office Equipment		–	–	350	430	1 100	1 100	300	315	331
Furniture and Office Equipment		–	–	350	430	1 100	1 100	300	315	331
Machinery and Equipment		337	47	–	600	950	950	800	840	882
Machinery and Equipment		337	47	–	600	950	950	800	840	882
Transport Assets		3 709	2 703	5 680	2 000	4 000	4 000	4 830	5 072	5 325
Transport Assets		3 709	2 703	5 680	2 000	4 000	4 000	4 830	5 072	5 325
Libraries		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	72 185	446 129	97 751	65 970	106 340	106 340	82 230	86 342	90 659
R&M as a % of PPE		2.3%	14.9%	3.4%	2.1%	3.4%	3.4%	0.0%	2.8%	2.8%
R&M as % Operating Expenditure		5.2%	21.9%	4.5%	4.8%	7.9%	7.9%	0.0%	6.1%	6.1%



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TABLE 61

FS194 Maluti-a-Phofung - Supporting Table SA34d Depreciation by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Depreciation by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Unimproved Property										
Other assets		215 649	186 121	278 694	50 000	50 000	50 000	50 000	52 500	55 125
Operational Buildings		215 649	186 121	278 694	50 000	50 000	50 000	50 000	52 500	55 125
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares		215 649	186 121	278 694	50 000	50 000	50 000	50 000	52 500	55 125
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	215 649	186 121	278 694	50 000	50 000	50 000	50 000	52 500	55 125



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TABLE 62

FS194 Maluti-a-Phofung - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Asset Sub-Class	2017/18 Medium Term Revenue & Expenditure Framework			Project information	
				Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand	4		3					
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>								
MUNICIPAL INFRASTRUCTURE(MIG)		Sediba hall	Community halls				ward 1	renewal
(EPWP)		Incentive grant for municipality (EXPWP)	Other				all wards	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Epwp mayoral project	Other				all wards	new
LED & SMME's (OWN SOURCE)		Maluti Contractor Development Programme	Other	20 000	21 000	21 000		new
MUNICIPAL INFRASTRUCTURE(MIG)		Fencing and infra at cemeteries 1 (c)	Cemeteries	1 250	-	-	34, 1 and 3	new
MUNICIPAL INFRASTRUCTURE(MIG)		Fencing of cemeteries phase 2	Cemeteries				ward 22	new
MUNICIPAL INFRASTRUCTURE(MIG)		Fencing and infrastructure at cemeteries 1 (b)	Cemeteries				all wards	new
MUNICIPAL INFRASTRUCTURE(MIG)		Intabazwe/Harrismith: Establishment of Fire Station	Fire, safety & emergency	6 924	10 076	10 580	ward 22	renewal
MUNICIPAL INFRASTRUCTURE(MIG)		Phuthaditjhaba: Upgrading of Town Hall	Community halls	5 643	8 357	8 775	ward 27	renewal
MUNICIPAL INFRASTRUCTURE(MIG)		Bluegumbosch stadium	Sportsfields & stadia				ward 34	new
MUNICIPAL INFRASTRUCTURE(MIG)		Intabazwe stadium	Sportsfields & stadia	16 402	4 488	4 712	ward 22	renewal
MUNICIPAL INFRASTRUCTURE(MIG)		Intabazwe new indoor sport & recreational facility	Recreational facilities				ward 22	new
MUNICIPAL INFRASTRUCTURE(MIG)		Phuthaditjhaba new indoor sport & recreational facility	Recreational facilities				ward 27	new
MUNICIPAL INFRASTRUCTURE(MIG)		Intabazwe new indoor sport & recreational facility phase 2	Recreational facilities				ward 22	new
MUNICIPAL INFRASTRUCTURE(MIG)		Bluegumbosch new indoor recreational facility	Recreational facilities	10 471	1 376	1 445	ward 34	new
MUNICIPAL INFRASTRUCTURE(MIG)		Harrismith upgrading of clubhouse	Recreational facilities				ward 22	renewal
ELECTRICITY (INEPG-DoE)		Intergrated National Electrification Grant	Transmission & Reticulation	10 000	20 000	20 000	ward 1	new
ELECTRICITY (EDSMG)		Energy Demand Side Management Grant	Transmission & Reticulation	6 000	-	-	all wards	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Substation (11kv line to Nestle & Wilge treatment works)	Transmission & Reticulation				ward 22	renewal
MUNICIPAL INFRASTRUCTURE(MIG)		Maluti-a-Phofung: 153 High mast lights in 4 towns	Street Lighting	3 100	7 900	8 295	ward 6 and 22	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		B-Strong	Street Lighting	3 000	3 000	3 000		new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Makgabisi Electrification	Transmission & Reticulation	3 000	3 000	3 000		new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		MAP TRANSFORMERS	Transmission & Reticulation	3 500	-	-		new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Footbridges Map	Roads, Pavements & Bridges	5 000	5 000	5 000	10, 12, 14, 29, 31	new
MUNICIPAL INFRASTRUCTURE(MIG)		Kestell (Tlholong): 5km New paved roads phase 5	Roads, Pavements & Bridges	1 453			ward 3	new
MUNICIPAL INFRASTRUCTURE(MIG)		Maluti-a-Phofung Phuthaditjhaba: Paving of Roads 14.5km) Phase 3	Roads, Pavements & Bridges	1 164			ward 29	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Roads Schoonplatz	Roads, Pavements & Bridges					new
MUNICIPAL INFRASTRUCTURE(MIG)		Intabazwe Paving of 4,5km roads - Phase 3	Roads, Pavements & Bridges	5 500	6 000	6 300	ward 4	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Resurfacing Of Roads Tar	Roads, Pavements & Bridges	5 000	5 000	5 000	6,7,22,25,28,29	new
MUNICIPAL INFRASTRUCTURE(MIG)		Disaster Park: Paving of 4.5km roads - Phase 3	Roads, Pavements & Bridges	2 220			ward 32	new
MUNICIPAL INFRASTRUCTURE(MIG)		Intabazwe Paved Roads 2	Roads, Pavements & Bridges				ward 4	new
MUNICIPAL INFRASTRUCTURE(MIG)		Tshiame B: Paving of 6km roads - Phase 2B	Roads, Pavements & Bridges	1 179		-	ward 1	new
MUNICIPAL INFRASTRUCTURE(MIG)		Namahadi: Paving of Roads and Storm water: Retention	Roads, Pavements & Bridges				ward 18	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Construction of bridge (SANRAL)	Roads, Pavements & Bridges	5 000	-	-	ward 22	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Turfontein/Makeneng Internal Paved Roads Phase 2	Roads, Pavements & Bridges	3 000	5 000	5 000	ward 16	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Maqhekung Infrastructure	Roads, Pavements & Bridges	3 000	5 000	5 000	ward 27	new



Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

FS194 Maluti-a-Phofung - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Asset Sub-Class	2017/18 Medium Term Revenue & Expenditure Framework			Project information	
				Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand	4		3					
Parent municipality: List all capital projects grouped by Municipal Vote								
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Motabang street - Rebuilt	Roads, Pavements & Bridges	5 000	5 000	5 000	ward 27	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Roads Honeyville & Matshekeng (Paved Roads 1.5km) Phase 1	Roads, Pavements & Bridges				ward 29	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Phuthadihaba paved roads - 1.25 km	Roads, Pavements & Bridges				ward 1	new
MUNICIPAL INFRASTRUCTURE (MIG)		Monontsha: Construction of footbridge	Roads, Pavements & Bridges	5 104	7 896	8 290	9; 11; 13	new
MUNICIPAL INFRASTRUCTURE (MIG)		Kestell/ Tholong New Paved road Phase 6	Roads, Pavements & Bridges	2 706	7 294	7 658	ward 3	new
MUNICIPAL INFRASTRUCTURE (MIG)		Tshame B: Construction of Paved Roads Phase 3	Roads, Pavements & Bridges	7 500	17 750	18 638	ward 1	new
MUNICIPAL INFRASTRUCTURE (MIG)		Namahadi Paving of road and stormwater: PHASE 2	Roads, Pavements & Bridges	13 875	13 625	14 306	ward 18	new
MUNICIPAL INFRASTRUCTURE (MIG)		Intabazwe/Harrismith: New Commuter infrastructure facility (MIS:225752)	Other	1 605			ward 22	new
MUNICIPAL INFRASTRUCTURE (MIG)		Phuthadihaba/Qwaqwa: New taxi facility - phase 1 (MIS:226018)	Other	12 608	4 221	4 432	ward 29	new
MUNICIPAL INFRASTRUCTURE (MIG)		Tshame: New Commuter Facility	Other	5 877	17 722	18 608	ward 1	new
MUNICIPAL INFRASTRUCTURE (MIG)		Tholong: New Taxi Facility	Other	2 924	7 527	7 903	ward 3	new
RHIG- RURAL HOUSEHOLD INFRASTRUCTURE GRANT		360 VIP Toilets (RHIG)	Reticulation				10 and 19	new
MUNICIPAL INFRASTRUCTURE (MIG)		VIP Toilet Project Phase 10	Reticulation				all wards	new
MUNICIPAL INFRASTRUCTURE (MIG)		VIP Toilet Project Phase 11	Reticulation				ward 6	new
MUNICIPAL INFRASTRUCTURE (MIG)		Wilge Waste Water Treatmentworks Phase 1	Reticulation				ward 22	new
MUNICIPAL INFRASTRUCTURE (MIG)		Construction of Mangaung sewer network	Reticulation	10 713	10 287	10 802	ward 18	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Makholokweng Sewer	Reticulation	3 000	5 000	5 000	ward 1	new
MUNICIPAL INFRASTRUCTURE (MIG)		Mandela Park Sanitation 650 Stands	Reticulation				ward 24 & 30	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Lusaka Sewerage	Reticulation	4 000	5 000	5 000	30 and 24	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Mobile Toilets	Reticulation				3 and 31	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		VIP Toilets (360 toilets per annum)	Reticulation	2 500	-	-	ward 3	new
MUNICIPAL INFRASTRUCTURE (MIG)		Thabong/Kgotso: Construction of Sewer Network	Reticulation	8 000	5 070	5 323	24 and 30	new
MUNICIPAL INFRASTRUCTURE (MIG)		Intabazwe Ext. 3: Construction of Waterborne Sewer Network	Reticulation	3 000	7 857	8 250	ward 5	new
MUNICIPAL INFRASTRUCTURE (MIG)		Bluegumbosch: Refurbishment of Sewer Line	Reticulation	5 255	10 745	11 282	ward 34	new
MUNICIPAL INFRASTRUCTURE (MIG)		Harrismith / Intabazwe Ext. 3: Sewer Outfall Line and Rising Main	Reticulation	9 824	5 676	5 960	ward 5	new
MUNICIPAL INFRASTRUCTURE (MIG)		Namahadi: Construction of Sewer Network	Reticulation	3 000	5 500	5 775	ward 18	new
MUNICIPAL INFRASTRUCTURE (DWA)- RBIG		Sterkfontein/Qwaqwa Bulk Water Scheme- RBIG	Transmission & Reticulation	26 658	42 000	42 000	ward 1	new
MUNICIPAL INFRASTRUCTURE (WSIG)		Water services infrastructure grant	Transmission & Reticulation				map	new
MUNICIPAL INFRASTRUCTURE (MIG)		Kestell/Tholong Water Total Solution	Transmission & Reticulation				ward 3	new
MUNICIPAL INFRASTRUCTURE (MIG)		Makholokweng Area: Construction of a 4ML Reservoir	Dams & Reservoirs				ward 1	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Makholokweng water networks	Transmission & Reticulation				ward 1	new
MUNICIPAL INFRASTRUCTURE (MIG)		Qwaqwa Rural: Water Network Phase 3 (A)	Transmission & Reticulation				qwaqwa rural areas	new
MUNICIPAL INFRASTRUCTURE (MIG)		Qwaqwa Rural: Water Network Phase 3 (C)	Transmission & Reticulation				qwaqwa rural areas	new
PROJECT MANAGEMENT UNIT(OWN SOURCE)		Fika Patso	Water purification				qwaqwa	new
MUNICIPAL INFRASTRUCTURE (MIG)		Intabazwe: Construction of a Reservoir and pump station	Dams & Reservoirs				ward 5	new
MUNICIPAL INFRASTRUCTURE (MIG)		Intabazwe/Harrismith Ext 3 Bulk Water Infrastructure	Transmission & Reticulation				Ward 1	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Tholong water network connection	Transmission & Reticulation				ward 3	new
MUNICIPAL INFRASTRUCTURE (MIG)		Wilge: Construction of a 4 ML Reservoir	Dams & Reservoirs	500	7 448	7 820	ward 22	new
MUNICIPAL INFRASTRUCTURE (MIG)		Phuthadihaba: Provision of water services for network extensions and 3907 erf connections	Transmission & Reticulation	1 477	-	-	13 and 25	new
MUNICIPAL INFRASTRUCTURE (MIG)		Phuthadihaba: Provision of water services for network extensions and 2940 erf connections	Transmission & Reticulation	1 100			ward 17	new
MUNICIPAL INFRASTRUCTURE (MIG)		Phuthadihaba: Provision of water services for network extensions and 3346 erf connections	Transmission & Reticulation					new
MUNICIPAL INFRASTRUCTURE (MIG)		Kestell (Tholong): Upgrading of water networks system Bulk Water Services	Transmission & Reticulation				ward 3	new
MUNICIPAL INFRASTRUCTURE (MIG)		Intabazwe Ext. 3: Construction of Internal Water Reticulation with Water Meters	Transmission & Reticulation	8 128	1 215	1 276	ward 5	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Water Tanks (Jojo)	Transportation	2 000				new
WASTE MANAGEMENT (OWN SOURCE)		Rehabilitation Of Landfill Sites	Waste Management				ward 34	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		MIG counterfunding	Other	3 000	-	-		new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Health and safety	Other					new
MUNICIPAL INFRASTRUCTURE (MIG)		Project Management Unit	PMU	8 342	8 844	9 286		new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Fleet Vehicle & Equipment For Road Construction / Maintenance	Specialised vehicles - Refuse	7 000	8 000	9 000		new
PUBLIC SAFETY & TRANSPORT (OWN SOURCE)		Cctv Cameras	Computers - hardware/equipment	500	500	500		new
PUBLIC SAFETY & TRANSPORT (OWN SOURCE)		Communication System	Computers - software & programming					new
INFORMATION TECHNOLOGY (OWN SOURCE)		Computer & Equipment	Computers - hardware/equipment	1 000	1 000	1 000		new
INFORMATION TECHNOLOGY (OWN SOURCE)		Equipment And Tools	Furniture and other office equipment	1 000	1 000	1 000		new
CORPORATE SERVICES(OWN SOURCE)		Furniture	Furniture and other office equipment	600	600	600		new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Harrismith Logistic Hub	Other					new
MUNICIPAL INFRASTRUCTURE (MIG)		Retention Various Projects	Other					new
INFORMATION TECHNOLOGY(OWN SOURCE)		Buildings	Other Buildings					new
Parent Capital expenditure	1			289 601	311 973	321 817		



Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 63

FS194 Maluti-a-Phofung - Supporting Table SA37 Projects delayed from previous financial years

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand							Year					
Parent municipality: List all capital projects grouped by Municipal Vote				Examples	Examples							
Entities: List all capital projects grouped by Municipal Entity												
Entity Name Project name												



2.13 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes quarterly published financial performance on the municipality's website

2. Internship programme

The municipality was participating in the Municipal Financial Management Internship programme and all interns who were employed are now permanently employed so the grant will be redirected to mSCOA processes.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery Implementation Plan

The detail Draft SDBIP will be submitted to council with the Draft Budget 2016 MTREF as per circular 85 and 86.

6. Policies

An amendment of the Municipal Supply Chain Policy was announced in Government Gazette 34350 on 08 June 2011. The ratios as prescribed in the Regulations have been complied with.

As we however converted to GAMAP/GRAP in 2006 already certain aspects off the legislation is applicable to Maluti - A - Phofung and as such the Asset Register will be audited in April 2016 as the Municipality is trying to achieve full compliance.



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2.14 OTHER SUPPORTING DOCUMENTS

TABLE 64

FS194 Maluti-a-Phofung - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

2014/15 Medium Term Revenue & Expenditure Framework											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		783 787	835 929	3 653 129	2 905 423	3 060 296	3 060 296		3 060 296	3 213 311	3 373 976
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		616 242	715 927	3 444 860	2 697 827	2 852 700	2 852 700		2 852 700	2 995 335	3 145 102
Net Property Rates		167 544	120 001	208 270	207 596	207 596	207 596	-	207 596	217 976	228 875
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		132 521	292 350	288 211	583 995	570 052	570 052		566 911	584 251	594 271
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		45 048	45 048	15 177	15 177	8 000	8 000		8 745	9 183	9 642
Net Service charges - electricity revenue		87 473	247 302	273 034	568 818	562 052	562 052	-	558 165	575 069	584 630
Service charges - water revenue	6										
Total Service charges - water revenue		65 170	74 087	63 148	94 104	83 882	83 882		88 915	93 361	98 029
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		3 183	2 798	20 222	20 222	10 000	10 000		10 600	11 130	11 687
Net Service charges - water revenue		61 987	71 289	42 927	73 882	73 882	73 882	-	78 315	82 231	86 342
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		36 947	54 142	59 701	46 407	46 407	46 407		49 191	51 651	54 233
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		5 618	4 916	5 108	7 183	7 183	7 183		7 614	7 994	8 394
Net Service charges - sanitation revenue		31 329	49 226	54 593	39 224	39 224	39 224	-	41 577	43 656	45 839
Service charges - refuse revenue	6										
Total refuse removal revenue		27 589	32 865	38 193	38 532	38 532	38 532		40 844	42 886	45 031
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)		5 902	5 164	5 366	5 672	5 672	5 672		6 013	6 313	6 629
Net Service charges - refuse revenue		21 688	27 700	32 826	32 860	32 860	32 860	-	34 832	36 573	38 402
Other Revenue by source											
Advertisement signs		50	124	206	2 000	100	100		1 500	1 575	1 654
Medical aid income		441	453	490	600	600	600		700	735	772
Building Plans Fees		143	282	188	1 000	100	100		1 000	1 050	1 103
Cemetery Fees		267	289	46	500	500	500		525	551	579
Commission received		229	(67)	27	14	-	-				
Disconnections/Final reading & reconnections/ Connections prepaid		372	1 528	706	150	90	90		3 297	3 462	3 635
Insurance claims		494	-	8 632	15 210	5 300	5 300		6 310	6 626	6 957
Sale of Tender documents		228	230	219	500	600	600		500	525	551
Zoning certificate application									30	32	33
Building relaxation application									25	26	28
Other Revenue by source (incl. fair value adjustment)	3	73 796	444 585	8 586	18 419	15 199	15 199		13 763	14 451	15 174
Total 'Other' Revenue	1	76 020	447 423	19 101	38 392	22 489	22 489	-	27 650	29 033	30 484
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	145 351	161 284	208 402	237 594	202 501	202 501		222 617	233 748	245 436
Pension and UIF Contributions		18 153	25 819	31 546	35 885	32 191	32 191		35 105	36 861	38 704
Medical Aid Contributions		8 683	9 107	10 749	12 599	10 932	10 932		11 917	12 512	13 138
Overtime		20 221	26 863	26 716	5 452	32 951	32 951		35 257	37 020	38 871
Performance Bonus			-	-		-	-				
Motor Vehicle Allowance		2 135	5 175	6 451	14 926	11 765	11 765		13 611	14 292	15 007
Cellphone Allowance		480	789	1 236	1 265	1 020	1 020		1 037	1 089	1 143
Housing Allowances		652	678	1 335	1 508	1 295	1 295		1 386	1 455	1 528
Other benefits and allowances		27 915	12 780	22 658	7 178	9 522	9 522		10 992	11 541	12 118
Payments in lieu of leave		6 638	13 029	6 251	19 044	19 879	19 879		21 428	22 499	23 624
Long service awards		(108)	(152)	871	1 438	3 924	3 924		4 198	4 408	4 628
Post-retirement benefit obligations											
sub-total	5	230 121	255 372	316 215	336 890	325 979	325 979	-	357 549	375 426	394 198
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	230 121	255 372	316 215	336 890	325 979	325 979	-	357 549	375 426	394 198



Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	215 649	186 121	278 694	50 000	50 000	50 000		50 000	52 500	55 125
Lease amortisation										
Capital asset impairment										
Depreciation resulting from revaluation of PPE										
Total Depreciation & asset impairment	215 649	186 121	278 694	50 000	50 000	50 000	-	50 000	52 500	55 125
Bulk purchases										
Electricity Bulk Purchases	282 062	483 309	709 906	380 000	230 000	230 000		315 000	330 750	347 288
Water Bulk Purchases										
Total bulk purchases	282 062	483 309	709 906	380 000	230 000	230 000	-	315 000	330 750	347 288
Transfers and grants										
Cash transfers and grants	80 000	100 222	95 000	105 000	109 000	109 000	-	115 540	121 317	127 383
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
Total transfers and grants	80 000	100 222	95 000	105 000	109 000	109 000	-	115 540	121 317	127 383
Contracted services										
Indigent Register	425	-	-		5 000	5 000		9 000	9 450	9 923
Call outs	6 594	6 707	5 000	9 000	8 000	8 000		9 064	9 517	9 993
Municipal assets Insurance	31 647	17 566	18 939	20 000	24 371	24 371		20 000	21 000	22 050
Landfill site Management	2 299	2 145	1 500	2 340	6 000	6 000		5 040	5 292	5 557
Valuation roll/Credit control charges	1 295	3 774	1 000	1 500	1 000	1 000		1 500	1 575	1 654
Financial System	1 605	1 962	2 500	2 000	10 000	10 000		5 000	5 250	5 513
Collection costs/printing consumer accounts	854	699	500	500	500	500		200	210	221
Revenue Enhancement	494	10 533	5 000	15 150	30 000	30 000		20 000	21 000	22 050
Streetlights-energy efficient lighting	9 953	10 914	5 000	10 000	5 000	5 000		5 000	5 250	5 513
Dinatlwa Debt collectors			9 094					-	-	-
VAT Review	-		3 000	5 000	3 000	3 000		3 000	3 150	3 308
Compilation of Financial Statements	-		5 000	5 000	5 000	5 000		5 000	5 250	5 513
Assets Verification	-		700	1 000	2 000	2 000		2 000	2 100	2 205
Urban Renewal	-		2 000	5 400	5 000	5 000		3 000	3 150	3 308
Debt collectors	24 221	3 734	2 906	2 000	1 500	1 500		1 500	1 575	1 654
SCM Database				450	450	450		450	473	496
SCM Management Support				800	800	800		800	840	882
Traffic management				2 000	3 000	3 000		3 500	3 675	3 859
Security Services				5 000	6 000	6 000		8 000	8 400	8 820
ICT Support					10 000	10 000		10 000	10 500	11 025
Rural formalisation								1 500	1 575	1 654
Fencing of landfill site								3 500	3 675	3 859
sub-total	79 388	58 034	62 139	87 140	126 621	126 621	-	117 054	122 907	129 052
Allocations to organs of state:										
Electricity										
Water										
Sanitation										
Other										
Total contracted services	79 388	58 034	62 139	87 140	126 621	126 621	-	117 054	122 907	129 052
Other Expenditure By Type										
Collection costs										
Contributions to 'other' provisions										
Consultant fees	6 084	4 538	1 661	-				2 000	2 100	2 205
Audit fees	4 694	5 630	13 000	5 000	8 000	8 000		7 500	7 875	8 269
General expenses	22 970	15 000	-		-	-		10 000	10 500	11 025
DEPARTMENTAL CHARGES	4 231	30 557	6 270	7 682	7 682	7 682		8 878	9 322	9 788
MSIG EXPENDITURE	890	934	-	-	-	-				
REPAIRS AND MAINTENANCE	72 185	446 129	97 751	65 970	106 340	106 340		82 230	86 342	90 659
RESTATEMENT OF ASSETS	-	-	-	-	-	-				
COMMUNITY PROJECT EXPENDITURE	75 224	249 765	15 676	-	-	-				
TRAINING	1 621	2 455	6 309	500	4 000	4 000		3 000	3 150	3 308
DUSTBINS	227	-	460	2 000	1 000	1 000		1 000	1 050	1 103
FUEL & OIL	6 022	8 074	7 000	6 000	4 000	4 000		5 000	5 250	5 513
PROTECTIVE CLOTHING	1 131	714	4 930	6 000	10 600	10 600		6 000	6 300	6 615
WATER LEVIES REFUND	27 865	39 419	45 000	35 068	35 000	35 000		30 000	31 500	33 075
BANK CHARGES	1 427	2 324	2 500	2 000	2 000	2 000		2 000	2 100	2 205
INDIGENT SUBSIDY	8 600	877	-	-	-	-				
TELEPHONE	2 867	2 803	3 500	2 500	3 000	3 000		3 100	3 255	3 418
LEGAL CHARGES	2 388	4 536	6 000	5 000	20 000	20 000		10 000	10 500	11 025
EMPLOYEES WELLNESS	1 178	-	1 300	2 500	1 500	1 500		900	945	992
DATA LINE & ICT STRATEGY	1 306	1 871	2 000	1 680	1 500	1 500		1 500	1 575	1 654
DEPARTMENTAL- OPERATIONAL PROJECTS	5 094	732	11 800	21 255	14 100	14 100		10 100	10 605	11 135
MAYORAL FUND	3 553	525	-	-	-	-				
BURSARIES	2 258	3 917	15 000	15 000	20 000	20 000		15 000	15 750	16 538
SPECIAL PROGRAMMS	-	-	-	58 665	63 700	63 700		53 710	56 396	59 215
MEMBERSHIP FEES: SALGA	1 928	1 226	6 551	3 300	4 000	4 000		4 280	4 494	4 719
Other Expenditure By Type	30 289	268 003	174 224	85 994	104 982	104 982		96 759	101 597	106 140
Total 'Other' Expenditure	284 032	1 090 029	420 932	326 114	411 404	411 404	-	352 957	370 605	372 598
Repairs and Maintenance										
Employee related costs										
Other materials										
Contracted Services										
Other Expenditure	72 185	446 129	97 751	65 970	106 340	106 340		82 230	86 342	90 659
Total Repairs and Maintenance Expenditure	72 185	446 129	97 751	65 970	106 340	106 340	-	82 230	86 342	90 659



Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 65

FS194 Maluti-a-Phofung - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Legislative Authority	Vote 2 - Office of the Municipal Manager	Vote 3 - Corporate Services	Vote 4 - Budget & Treasury Office	Vote 5 - Municipal Infrastructur e	Vote 6 - Community Services	Vote 7 - Public Safety & Transport	Vote 8 - Sports, Parks, Arts & Culture	Vote 9 - LED,Tourism ,SMME's,Rur al &	Vote 10 - Human Settlements	Vote 11 - IDP- PMS Department	Vote 12 - Spatial Development Planning &	Vote 13 - Electricity Department	Vote 14 - Maluti Water (Pty) Ltd	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates		-	-	-	207 596	-	-	-	-	-	-	-	-	-	-	-	207 596
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	558 165	-	-	558 165
Service charges - water revenue		-	-	-	-	78 315	-	-	-	-	-	-	-	-	-	-	78 315
Service charges - sanitation revenue		-	-	-	-	41 577	-	-	-	-	-	-	-	-	-	-	41 577
Service charges - refuse revenue		-	-	-	-	34 832	-	-	-	-	-	-	-	-	-	-	34 832
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	384	-	900	-	-	-	-	-	1 284
Interest earned - external investments		-	-	-	2 900	-	-	-	-	-	-	-	-	-	-	-	2 900
Interest earned - outstanding debtors		-	-	-	31 800	-	-	-	-	-	-	-	-	-	-	-	31 800
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	8 012	-	-	-	-	-	-	-	-	8 012
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		-	-	500	10 250	-	2 723	981	53	5 580	1 000	-	3 197	3 367	-	-	27 650
Transfers and subsidies		-	-	-	494 426	-	-	-	-	-	-	-	-	-	-	-	494 426
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	500	746 972	154 724	2 723	8 993	437	5 580	1 900	-	3 197	561 532	-	-	1 486 557
Expenditure By Type																	
Employee related costs		12 356	18 083	27 556	30 889	73 140	14 255	75 877	40 357	6 420	7 598	4 931	10 320	35 767	-	-	357 549
Remuneration of councillors		23 357	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23 357
Debt impairment		-	-	-	70 000	-	-	-	-	-	-	-	-	-	-	-	70 000
Depreciation & asset impairment		-	-	-	50 000	-	-	-	-	-	-	-	-	-	-	-	50 000
Finance charges		-	-	-	5 000	-	-	-	-	-	-	-	-	-	-	-	5 000
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	315 000	-	-	315 000
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		-	10 000	-	48 450	-	-	11 500	-	8 540	-	-	4 500	34 064	-	-	117 054
Transfers and subsidies		-	-	-	115 540	-	-	-	-	-	-	-	-	-	-	-	115 540
Other expenditure		78 271	23 055	36 255	51 730	46 090	1 015	29 562	9 340	14 895	4 270	4 060	240	54 175	-	-	352 957
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		113 984	51 138	63 811	371 609	119 230	15 269	116 939	49 897	29 855	11 868	8 991	15 060	439 006	-	-	1 406 457
Surplus/(Deficit)		(113 984)	(51 138)	(63 311)	375 363	35 493	(12 547)	(107 946)	(49 260)	(24 275)	(9 968)	(8 991)	(11 863)	122 526	-	-	80 100
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	209 501	-	-	-	-	-	-	-	-	-	-	209 501
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(113 984)	(51 138)	(63 311)	375 363	244 994	(12 547)	(107 946)	(49 260)	(24 275)	(9 968)	(8 991)	(11 863)	122 526	-	-	289 601



Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 66

FS194 Maluti-a-Phofung - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Call investment deposits											
Call deposits											
Other current investments											
Total Call investment deposits	2	-	-	-	-	-	-	-	-	-	-
Consumer debtors											
Consumer debtors		107 379	314 167	420 781	750 000	750 000	750 000		500 000	525 000	551 250
Less: Provision for debt impairment		-	-	(92 125)	(70 050)	(70 050)	(70 050)		(70 000)	(73 500)	(77 175)
Total Consumer debtors	2	107 379	314 167	328 656	679 950	679 950	679 950	-	430 000	451 500	474 075
Debt impairment provision											
Balance at the beginning of the year		(338 277)	(162 696)	(162 696)	70 050	70 050	70 050		70 000	73 500	77 175
Contributions to the provision											
Bad debts written off		183 813	-	254 821							
Balance at end of year		(154 464)	(162 696)	92 125	70 050	70 050	70 050	-	70 000	73 500	77 175
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		5 406 649	5 405 987	8 524 565	5 676 286	5 676 286	5 676 286		8 950 793	9 398 333	9 868 250
Leases recognised as PPE											
Less: Accumulated depreciation	3	2 227 182	2 412 946	5 613 345	2 533 594	2 533 594	2 533 594		5 894 012	6 188 713	6 498 149
Total Property, plant and equipment (PPE)	2	3 179 466	2 993 040	2 911 220	3 142 692	3 142 692	3 142 692	-	3 056 781	3 209 620	3 370 101
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		574 175	1 135 492	1 649 844	880 000	880 000	880 000		630 000	661 500	694 575
Unspent conditional transfers		2 481	1 787	2 854							
VAT		16 188									
Total Trade and other payables	2	592 845	1 137 278	1 652 698	880 000	880 000	880 000	-	630 000	661 500	694 575
Non current liabilities - Borrowing											
Borrowing		13 762	9 872	7 123	8 000	4 500	4 500		5 000	3 000	2 000
Finance leases (including PPP asset element)	4										
Total Non current liabilities - Borrowing		13 762	9 872	7 123	8 000	4 500	4 500	-	5 000	3 000	2 000
Provisions - non-current											
Retirement benefits		26 861	24 803	29 169	26 043	26 043	26 043		30 627	32 159	33 767
List other major provision items											
Refuse landfill site rehabilitation		21 658	19 307	0	20 273	20 273	20 273		0	1	1
Other		-		41 907	-	-	-		44 002	46 202	48 513
Total Provisions - non-current		48 519	44 110	71 076	46 316	46 316	46 316	-	74 630	78 362	82 280
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		3 096 942	2 835 509	2 639 344	2 917 077	2 911 977	2 911 977		2 804 597	2 939 185	3 093 050
GRAP adjustments											
Restated balance		3 096 942	2 835 509	2 639 344	2 917 077	2 911 977	2 911 977	-	2 804 597	2 939 185	3 093 050
Surplus/(Deficit)		(261 433)	(445 755)	(828 415)	257 920	266 520	266 520	-	289 601	311 973	321 817
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	2 835 509	2 389 754	1 810 929	3 174 997	3 178 497	3 178 497	-	3 094 198	3 251 158	3 414 866
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2 835 509	2 389 754	1 810 929	3 174 997	3 178 497	3 178 497	-	3 094 198	3 251 158	3 414 866



Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 67

FS194 Maluti-a-Phofung - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			361	385	336	385	385	336	336	336	336	353
Females aged 5 - 14			52	43	35	43	43	35	35	35	35	37
Males aged 5 - 14			50	42	36	42	42	36	36	36	36	38
Females aged 15 - 34			54	45	65	45	45	65	65	65	65	68
Males aged 15 - 34			51	43	58	43	43	58	58	58	58	61
Unemployment			75	62	56	62	62	56	56	56	56	59
Monthly household income (no. of households)												
No income	1, 12		44 817	50 861	53 413	50 861	53 413	53 413	53 413	53 413	53 413	56 084
R1 - R1 600			38 542	40 452	39 259	40 452	39 259	39 259	39 259	39 259	39 259	41 222
R1 601 - R3 200			2 067	1 723	2 917	1 723	2 917	2 917	2 917	2 917	2 917	3 063
R3 201 - R6 400			2 106	1 755	1 758	1 755	1 758	1 758	1 758	1 758	1 758	1 845
R6 401 - R12 800			1 358	1 132	1 514	1 132	1 514	1 514	1 514	1 514	1 514	1 590
R12 801 - R25 600			943	786	855	786	855	855	855	855	855	897
R25 601 - R51 200			149	124	191	124	191	191	191	191	191	200
R52 201 - R102 400			150	125	120	125	120	120	120	120	120	126
R102 401 - R204 800			258	215	114	215	114	114	114	114	114	120
R204 801 - R409 600			-	-	88	-	88	88	88	88	88	92
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household demographics (000)												
Number of people in municipal area			360 787	385 413	335 784	385	336	336	336	336	336	352 573
Number of poor people in municipal area			328 724	364 561	213 417	365	213	213	213	213	213	224 088
Number of households in municipal area			90 390	97 172	100 228	97	100	100	100	100	100	105 239
Number of poor households in municipal area			83 359	91 312	92 672	91	93	93	93	93	93	97 306
Definition of poor household (R per month)						1 500	2 200	2 200	2 200	3 500	3 500	3 500
Housing statistics												
Formal	3		90 390	97 172	100 228	97 172	100 228	100 228	100 228	100 228	100 228	105 239
Informal												
Total number of households	4		90 390	97 172	100 228	97 172	100 228	100 228	100 228	100 228	100 228	105 239
Dwellings provided by municipality												
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic												
Inflation/inflation outlook (CPDX)	6					5.8%	6.1%	6.5%	6.5%	6.5%	6.5%	6.8%
Interest rate - borrowing						11.5%	13.0%	13.5%	13.5%	14.0%	15.0%	15.8%
Interest rate - investment						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.2%
Remuneration increases						7.0%	1% + CPI	1.25% + CPI	1%+CPDX	1%+CPDX	1%+CPDX	1%+CPDX
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates												
Property tax/service charges	7					72.8%	131.9%	23.4%	80.0%	60.0%	80.0%	80.0%
Rental of facilities & equipment						64.6%	62.6%	40.0%	80.0%	80.0%	80.0%	80.0%
Interest - external investments						78.5%	155.8%	36.5%	80.0%	80.0%	80.0%	80.0%
Interest - debtors						127.1%	93.4%	33.8%	80.0%	80.0%	80.0%	80.0%
Revenue from agency services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Detail on the provision of municipal services for A10												
Total municipal services	Ref.		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Household service targets (000)												
Water:												
Piped water inside dwelling			85 420	85 488	85 488	85 488	85 488	85 488	85 488	85 488	85 488	89 762
Piped water inside yard (but not in dwelling)			10 881	10 890	10 890	10 890	10 890	10 890	10 890	10 890	10 890	11 435
Using public tap (at least min.service level)	8		-	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	10		-	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total			96 301	96 378	96 378	96 378	96 378	96 378	96 378	96 378	96 378	101 197
Using public tap (< min.service level)	9		-	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	10		3 927	3 850	3 850	3 850	3 850	3 850	3 850	3 850	3 850	4 043
No water supply			-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total			3 927	3 850	3 850	3 850	3 850	3 850	3 850	3 850	3 850	4 043
Total number of households			100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 239
Sanitation/sewerage:												
Flush toilet (connected to sewerage)			32 941	35 642	35 642	35 642	35 642	35 642	35 642	35 642	35 642	37 424
Flush toilet (with septic tank)			2 607	2 633	2 633	2 633	2 633	2 633	2 633	2 633	2 633	2 765
Chemical toilet			3 195	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 204
Pit toilet (ventilated)			17 424	21 900	21 900	21 900	21 900	21 900	21 900	21 900	21 900	22 995
Other toilet provisions (> min.service level)			38 949	33 600	33 600	33 600	33 600	33 600	33 600	33 600	33 600	35 280
Minimum Service Level and Above sub-total			95 116	95 874	95 874	95 874	95 874	95 874	95 874	95 874	95 874	100 668
Bucket toilet			715	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)			2 133	2 154	2 154	2 154	2 154	2 154	2 154	2 154	2 154	2 262
No toilet provisions			2 264	2 200	2 200	2 200	2 200	2 200	2 200	2 200	2 200	2 310
Below Minimum Service Level sub-total			5 112	4 354	4 354	4 354	4 354	4 354	4 354	4 354	4 354	4 572
Total number of households			100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 240
Energy:												
Electricity (at least min.service level)			52 500	55 125	57 881	57 881	57 881	57 881	60 775	63 814	67 005	70 355
Electricity - prepaid (min.service level)			-	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total			52 500	55 125	57 881	57 881	57 881	57 881	60 775	63 814	67 005	70 355
Electricity (< min.service level)			-	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min.service level)			-	-	-	-	-	-	-	-	-	-
Other energy sources			47 728	45 103	42 347	42 347	42 347	42 347	39 453	36 414	36 414	38 235
Below Minimum Service Level sub-total			47 728	45 103	42 347	42 347	42 347	42 347	39 453	36 414	36 414	38 235
Total number of households			100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	108 590
Refuse:												
Removed at least once a week			26 567	26 833	26 833	26 833	26 833	26 833	26 833	26 833	26 833	28 174
Minimum Service Level and Above sub-total			26 567	26 833	26 833	26 833	26 833	26 833	26 833	26 833	26 833	28 174
Removed less frequently than once a week			491	496	496	496	496	496	496	496	496	521
Using communal refuse dump			5 224	5 276	5 276	5 276	5 276	5 276	5 276	5 276	5 276	5 540
Using own refuse dump			54 061	54 602	54 602	54 602	54 602	54 602	54 602	54 602	54 602	57 332
Other rubbish disposal			5 576	5 632	5 632	5 632	5 632	5 632	5 632	5 632	5 632	5 913
No rubbish disposal			8 309	7 390	7 390	7 390	7 390	7 390	7 390	7 390	7 390	7 760
Below Minimum Service Level sub-total			73 661	73 396	73 396	73 396	73 396	73 396	73 396	73 396	73 396	77 065
Total number of households			100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 240



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Municipal in-house services	Ref.		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		Household service targets (000)									
		Energy:									
		Electricity (at least min.service level)	52 500	55 125	57 881	57 881	57 881	60 775	63 814	67 005	70 355
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total	52 500	55 125	57 881	57 881	57 881	60 775	63 814	67 005	70 355
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources	47 728	45 103	42 347	42 347	42 347	39 453	36 414	36 414	38 235
		Below Minimum Service Level sub-total	47 728	45 103	42 347	42 347	42 347	39 453	36 414	36 414	38 235
		Total number of households	100 228	100 228	100 228	100 228	100 228	100 228	100 228	103 419	108 590
		Refuse:									
		Removed at least once a week	26 567	26 833	26 833	26 833	26 833	26 833	26 833	26 833	28 174
		Minimum Service Level and Above sub-total	26 567	26 833	26 833	26 833	26 833	26 833	26 833	26 833	28 174
		Removed less frequently than once a week	491	496	496	496	496	496	496	496	521
		Using communal refuse dump	5 224	5 276	5 276	5 276	5 276	5 276	5 276	5 276	5 540
		Using own refuse dump	54 061	54 602	54 602	54 602	54 602	54 602	54 602	54 602	57 332
		Other rubbish disposal	5 576	5 632	5 632	5 632	5 632	5 632	5 632	5 632	5 913
No rubbish disposal	8 309	7 390	7 390	7 390	7 390	7 390	7 390	7 390	7 760		
Below Minimum Service Level sub-total	73 661	73 396	73 396	73 396	73 396	73 396	73 396	73 396	77 065		
Total number of households	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 240		
Municipal entity services	Ref.		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Maluti-a-Phofung Water (SOC) Ltd	8 10 9 10	Household service targets (000)									
		Water:									
		Piped water inside dwelling	85 420	85 488	85 488	85 488	85 488	85 488	85 488	85 488	89 762
		Piped water inside yard (but not in dwelling)	10 881	10 890	10 890	10 890	10 890	10 890	10 890	10 890	11 435
		Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	96 301	96 378	96 378	96 378	96 378	96 378	96 378	96 378	101 197
		Using public tap (< min.service level)									
		Other water supply (< min.service level)	3 927	3 850	3 850	3 850	3 850	3 850	3 850	3 850	4 043
		No water supply									
		Below Minimum Service Level sub-total	3 927	3 850	3 850	3 850	3 850	3 850	3 850	3 850	4 043
		Total number of households	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 239
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	32 941	35 642	35 642	35 642	35 642	35 642	35 642	35 642	37 424
		Flush toilet (with septic tank)	2 607	2 633	2 633	2 633	2 633	2 633	2 633	2 633	2 765
		Chemical toilet	3 195	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 204
		Pit toilet (ventilated)	17 424	21 900	21 900	21 900	21 900	21 900	21 900	21 900	22 995
Other toilet provisions (> min.service level)	38 949	33 600	33 600	33 600	33 600	33 600	33 600	33 600	35 280		
Minimum Service Level and Above sub-total	95 116	95 874	95 874	95 874	95 874	95 874	95 874	95 874	100 668		
Bucket toilet	715	-	-	-	-	-	-	-	-		
Other toilet provisions (< min.service level)	2 133	2 154	2 154	2 154	2 154	2 154	2 154	2 154	2 262		
No toilet provisions	2 264	2 200	2 200	2 200	2 200	2 200	2 200	2 200	2 310		
Below Minimum Service Level sub-total	5 112	4 354	4 354	4 354	4 354	4 354	4 354	4 354	4 572		
Total number of households	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228	105 240		
Detail of Free Basic Services (FBS) provided			2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Electricity	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (50 kwh per indigent household per month R'000)	45 048 477	45 048 477	15 177 000	15 177 000	8 000 000	8 000 000	8 745 269	9 182 533	9 641 659
		Number of HH receiving this type of FBS	100 228	100 228	70 228	25 295	25 295	25 295	25 295	25 295	25 295
		Total cost of FBS - Electricity for informal settlements	-	-	-	-	-	-	-	-	-
Water	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (6 kilolitre per indigent household per month R'000)	3 183 000	2 798 470	20 221 776	20 221 776	10 000 000	10 000 000	10 600 000	11 130 000	11 686 500
		Number of HH receiving this type of FBS	6 847	5 706	36 955	36 955	36 955	36 955	36 955	36 955	36 955
		Informal settlements (R'000)									
		Total cost of FBS - Water for informal settlements	-	-	-	-	-	-	-	-	-
Sanitation	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (free sanitation service to indigent households)	5 618 046	4 915 934	5 108 441	7 182 696	7 182 696	7 182 696	7 613 658	7 994 341	8 394 058
		Number of HH receiving this type of FBS	6 847	5 706	5 594	5 594	5 594	5 594	5 594	5 594	5 594
		Total cost of FBS - Sanitation for informal settlements	-	-	-	-	-	-	-	-	-
Refuse Removal	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (removed once a week to indigent households)	5 901 840	5 164 297	5 366 212	5 672 316	5 672 316	5 672 316	6 012 655	6 313 288	6 628 952
		Number of HH receiving this type of FBS	6 847	5 706	5 594	5 594	5 594	5 594	5 594	5 594	5 594
		Informal settlements (R'000)									
		Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-	-



Maluti-A-Phofung Municipality Proposed Draft Budget 2017 /2018 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 68

FS194 Maluti-a-Phofung - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
OPERATIONAL					
Lwampupua (Pty) Ltd	Yrs	1	Appointment of Service Provider: Transport Services for a Period not Exceeding one (01) year	22 September 2017	Price per item
M. Maureen Moloi Construction	Yrs	2	Appointment of Service Provider for Project Management of Brick Making Initiative	08 December 2018	R 3 313 450.04 Vat Inclusive Funded by own resources and Ilifa Africa Engineers (Pty) Ltd will claim fees according to the ECSA guidelines.
KN2 Projects (Pty) Ltd,	Yrs	3	Procurement of A Service Provider: Project Management for Contract Development Programme for the Period of 3 years.	13 March 2018	Cost of the Projects be 5% of all Projects to be Managed by the appointed bidder
E'isho Civils CC	Yrs	3	Appointment of Service Provider - Management of the Project Management Unit	30 August 2018	25% of all monies recovered, 15% shall be payable for assisting the Municipality
Matla a Kopano	Yrs	3	Review of Value Added tax	20 March 2018	
TMT Services and Supplies (Pty) Ltd	Yrs	3	Supply, Support and maintenance of a Traffic Contravention System and renting of Speed Cameras for the Period of 3 years.	04 May 2018	R 98.94 excluding Vat prt infringement
Allimax Training Academy	Yrs	3	Consolidation AFS, Audit Files and Audit assistance	30 November 2017	Fees will be as per service fees attached in annexure D
lateral Unison Insurance Brokers (Pty) Ltd	Yrs	3	Appointment of Short-term Insurance Broker	14 October 2018	R 2 135 906.62 per months
Orion Equipment Services	Yrs	3	Artisans Project Management for period of 3 years	28 July 2018	Cost for the project be R 13 935 000.00 Vat inclusive
AJ Mining and Industrial Suppliers	Mths	5	Refurbishment of Fika Patso Water Purification Plant (Phase 1)	05 April 2017	R 19 111 038.06 Vat Inclusive
Rob's Investment Holding (Pty) Ltd	Mths	10	Mechanical, Electrical and Associated Works.	29 September 2017	R 10 376 525.00 Vat Inclusive
			Upgrading of Tshiame Roads: Phase 2B		
			Qwa Qwa: Provision of Water Services for Network Extensions and ERF Connection for Qwa Qwa Rural Areas: Phahameng Village	30 May 2018	R 13 626 530.48 Vat Inclusive
Mofomo Construction CC	Mths	18	Qwa Qwa: Provision of Water Services for Network Extensions and ERF Connection for Qwa Qwa Rural Areas: Naledi Village	06 December 2018	R 5 188 414.90 Vat Inclusive
Safika Residential Developers CC	Yrs	2	Supply and Delivery of Road Materials and Stormwater Materials for Period of 03 Years.	25 April 2019	R 7 533 086.33 Vat Inclusive
Dee Dee Enterprises	Yrs	3	New Taxi Facility at Intabazwe.	02 September 2017	R 19 447 367.06 Vat Inclusive
Razzmatazz Civil	Mths	18	Upgrading of Intabazwe Stadium.	02 March 2019	R 48 731 418.54 Vat Inclusive
Razzmatazz Civil	Yrs	3	New Indoor Sport and Recreational Hall in Bluegumbosch	05 August 2017	Cost for the project be R 35 106 616.07 Vat Inclusive
Razzmatazz Civil	Mths	15	Extension of Scope: Solar Streetlight Project: Repair and Maintenance to Control Systems of Streetlight and High Mast Light Sections.	05 December 2017	Fixed Monthly Fee R 81 281.50 Vat Exclusive Variable actual cost limited to R 150 000.00 Vat Inclusive per month
Solar Spectrum Trading 24 (PTY) LTD	Yrs	3	Extension of Scope: Hiring of Plant in Maluti a Phofung Area	31 October 2017	On Quotation basis
HDM Catering and Projects CC	Yrs	3	Appointment of Service Provider: Fencing of Cemeteries	08 June 2017	
Tsoga o Bone Building Enterprise CC	Mths	15			

2.14.1 ANNUAL BUDGETS OF MUNICIPAL ENTITIES

See Annexure 2 for detailed schedules



2.15 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I Advocate M.R. Tsupa Municipal Manager of Maluti - A - Phofung Municipality hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act, and that the annual budget is consistent with the business plans of the municipally and the integrated development plan

Print name: Advocate. M.R Tsupa

Municipal Manager of Maluti - A - Phofung Municipality

Signature: _____

Date: _____